

**ENTREPRENEURS ACROSS BORDERS, INC.**

Financial Statements

December 31, 2023 and 2022



## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Entrepreneurs Across Borders, Inc.:

### **Opinion**

We have audited the accompanying financial statements of Entrepreneurs Across Borders, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Entrepreneurs Across Borders, Inc. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Entrepreneurs Across Borders, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Entrepreneurs Across Borders, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Entrepreneurs Across Borders, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Entrepreneurs Across Borders, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



August 19, 2024

**ENTREPRENEURS ACROSS BORDERS, INC.**

Statements of Financial Position

December 31, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash	\$ 171,728	\$ 115,776
Restricted cash	100,000	-
Investments	317,218	349,171
Prepaid expenses	<u>17,157</u>	<u>2,700</u>
Total assets	<u>\$ 606,103</u>	<u>\$ 467,647</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	137,311	-
Accrued expenses	<u>6,250</u>	<u>6,250</u>
Total current liabilities	<u>143,561</u>	<u>6,250</u>
Net assets:		
Without donor restrictions	362,542	461,397
With donor restrictions	<u>100,000</u>	<u>-</u>
Total net assets	<u>462,542</u>	<u>461,397</u>
Contingencies (note 2)		
Total liabilities and net assets	<u>\$ 606,103</u>	<u>\$ 467,647</u>

See accompanying notes to financial statements.

# ENTREPRENEURS ACROSS BORDERS, INC.

## Statements of Activities

Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues and other support:		
Contributions	\$ 1,250	\$ -
Program revenue	<u>17,706</u>	<u>-</u>
Total revenues and other support	<u>18,956</u>	<u>-</u>
Operating expenses:		
Program expense	129,401	-
Purchased services	134,114	110,875
Supplies and other	15,877	19,790
Advertising	<u>10,833</u>	<u>-</u>
Total operating expenses	<u>290,225</u>	<u>130,665</u>
Operating loss	<u>(271,269)</u>	<u>(130,665)</u>
Nonoperating income (loss) -		
Investment income (loss), net	<u>172,414</u>	<u>(141,419)</u>
Decrease in net assets without donor restrictions	<u>(98,855)</u>	<u>(272,084)</u>
Net assets with donor restrictions -		
Contributions	<u>100,000</u>	<u>-</u>
Increase in net assets with donor restrictions	<u>100,000</u>	<u>-</u>
Increase (decrease) in net assets	1,145	(272,084)
Net assets at beginning of year	<u>461,397</u>	<u>733,481</u>
Net assets at end of year	<u>\$ 462,542</u>	<u>\$ 461,397</u>

See accompanying notes to financial statements.

## ENTREPRENEURS ACROSS BORDERS, INC.

### Statements of Cash Flows

Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,145	\$ (272,084)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Realized and change in unrealized loss (gain) on investments, net	(172,414)	141,419
Changes in operating assets and liabilities:		
Prepaid expenses	(14,457)	3,200
Accounts payable	137,311	-
Net cash used in operating activities	<u>(48,415)</u>	<u>(127,465)</u>
Cash flows provided by investing activities -		
Sale of investments	<u>204,367</u>	<u>-</u>
Net increase (decrease) in cash	155,952	(127,465)
Cash and restricted cash at beginning of year	<u>115,776</u>	<u>243,241</u>
Cash and restricted cash at end of year	<u>\$ 271,728</u>	<u>\$ 115,776</u>

See accompanying notes to financial statements.

# ENTREPRENEURS ACROSS BORDERS, INC.

## Notes to Financial Statements

December 31, 2023 and 2022

### (1) Organization and Summary of Significant Accounting Policies

#### (a) Organization

Entrepreneurs Across Borders, Inc. (the Organization) is a start-up not-for-profit corporation incorporated in January 2019. The Organization serves to identify, curate and connect emerging entrepreneurs in developing countries with resources they need to create jobs, sustainable livelihood and equitable growth.

For the years ended December 31, 2022, 2021 and 2020, the Organization's start-up activities and program initiatives were delayed or extremely limited due to the Coronavirus Pandemic, which brought many restrictions and limited access to developing countries, particularly Jamaica, where the Organization's pilot program is based. Such restrictions and limited access impeded development of the Organization's progress in demonstrating efficacy of their operating model, which in turn affected their ability to interact with donors to receive additional public support. The Organization resumed its pilot program, including in country activities and program initiatives starting December 2022. During 2023, the Organization hosted its first event, "Beyond the Beach" in Jamaica to bring together investors, Jamaican leaders and entrepreneurs to foster a new kind of global community that will provide access to capital, mentorship, and networks that emerging entrepreneurs need to be successful. Additionally, the Organization began work on a software platform that will identify, curate, and assess emerging entrepreneurs so that they can be connected to seasoned entrepreneurs in the Organization's network. Lastly, the Organization hosted the first of its annual Impact Tours where US based investors and entrepreneurs get a unique opportunity to engage with Jamaica and its micro and scalable entrepreneurs.

#### (b) Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and present net assets and revenues, expenses, and gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets and changes in net assets are as follows:

Net assets without donor restrictions are available for general use and not subject to donor-imposed restrictions. These net assets may be used at the discretion of the Organization's management and board of directors and may be subject to self-imposed limits by action of the governing board.

Net assets with donor restrictions are those that are subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature and are limited by donors to a specific time period or purpose. Other donor restrictions may be perpetual in nature, as stipulated by the donor.

# ENTREPRENEURS ACROSS BORDERS, INC.

## Notes to Financial Statements

### (1) Organization and Summary of Significant Accounting Policies, Continued

#### (c) 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### (d) Revenue and Related Receivables

Revenue and related accounts receivable are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services. Revenue is recognized as performance obligations are satisfied.

Revenues associated with grants are recognized as the related costs are incurred. To the extent that amounts are received exceed the amounts earned, the Organization records these as deferred revenue. Expenses consist of direct costs incurred and related indirect costs reimbursed according to the terms and conditions of such agreements.

#### (e) Contributions

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as the cost basis. Conditional contributions are reported at fair value at the date the contribution is received. The contributions are reported as net assets with donor restrictions if they are received with donor stipulation that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restriction in the accompanying financial statements.

#### (f) Investments and Investment Income

Investments in equity securities with readily determinable fair values are measured at fair value in the statement of financial position. Investment income or loss (including realized and unrealized gains or losses on investments, interest and dividends) is included as a component of the change in net assets without donor restrictions unless the income or loss is restricted by law or donor. At December 31, 2023 and 2022, the Organization did not have any investments in debt securities.



# ENTREPRENEURS ACROSS BORDERS, INC.

## Notes to Financial Statements

### (1) Organization and Summary of Significant Accounting Policies, Continued

#### (f) Investments and Investment Income, Continued

Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in values in the near term could materially affect the amounts reported in the accompanying statements of financial position and statements of activities.

#### (g) Advertising Costs

The Organization expenses advertising costs as they are incurred.

#### (h) Concentrations

The Organization maintains cash balances with financial institutions, which at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to its cash.

#### (i) Income Tax Status

The Organization is a not-for-profit corporation and has been recognized as tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. It has been determined that the Organization is not a private foundation. As of December 31, 2023 and 2022, the Organization did not have any unrecognized tax benefits or any related accrued interest or penalties. The tax years open to examination by federal and New York State taxing authorities are 2020 through 2023.

#### (j) Subsequent Events

Subsequent events have been evaluated through August 19, 2024, which is the date the financial statements were available to be issued.

### (2) Grant Restrictions

Financial awards from federal, state and local government entities in the form of grants or contracts, such as Paycheck Protection Program grant are potentially subject to reviews or audits. Such instances could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions.

## ENTREPRENEURS ACROSS BORDERS, INC.

### Notes to Financial Statements

#### (3) Liquidity and Availability of Financial Assets

Financial assets available within one year for general expenditure are as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Cash	\$ 171,728	\$ 115,776
Investments	<u>317,218</u>	<u>349,171</u>
Total	<u>\$ 488,946</u>	<u>\$ 464,947</u>

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

Investments are presented in the financial statements at fair value. The fair values at December 31, are as follows:

	<u>2023</u>	<u>2022</u>
Common stock	<u>\$ 317,218</u>	<u>\$ 349,171</u>

Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories based on the lowest level input that is significant to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities.
- Level 2 inputs are observable prices that are based on inputs not quoted in active markets, but corroborated by market data.
- Level 3 inputs are unobservable inputs that are used when little or no market data is available. Significant management judgment or estimation is likely involved in the determination of fair value.

Fair value for common stock are based on quoted market prices and therefore classified as Level 1 financial assets.

**ENTREPRENEURS ACROSS BORDERS, INC.**

Notes to Financial Statements

(5) Transactions with Related Parties

The Organization is charged through a management service agreement through a related party, which is owned by the founder and current board member of the Organization. Purchased services expense related to this agreement amounted to \$100,000 in 2023 and \$100,000 in 2022.

(6) Functional Expenses

The Organization provides services to entrepreneurs. Expenses related to providing these services are as follows for the years ended December 31:

	2023		
	<u>Program services</u>	<u>General and administrative</u>	<u>Total</u>
Program expense	\$ 129,401	\$ -	\$ 129,401
Purchased services	75,000	59,114	134,114
Supplies and other	7,507	8,370	15,877
Advertising	10,833	-	10,833
	<u>\$ 222,741</u>	<u>\$ 67,484</u>	<u>\$ 290,225</u>
	2022		
	<u>Program services</u>	<u>General and administrative</u>	<u>Total</u>
Purchased services	\$ 75,000	\$ 35,875	\$ 110,875
Supplies and other	12,152	7,638	19,790
	<u>\$ 87,152</u>	<u>\$ 43,513</u>	<u>\$ 130,665</u>

The financial statements report certain categories of expenses that are attributable to more than one functional expense category. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated based on the nature of the expense and estimates of time spent.

(7) Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purpose at December 31, 2023:

<i>Subject to expenditure for specified purpose -</i>	
Platform Development Project: EAB Connect	\$ <u>100,000</u>