

Education Beyond Borders Society
FINANCIAL STATEMENTS

**Year ended December 31, 2009 and 2008, and from incorporation on March 20,
2007 to December 31, 2007**

AUDITORS' REPORT

To the Members of the Education Beyond Borders Society,

We have audited the statements of financial position of Education Beyond Borders Society as at December 31, 2009, 2008 and 2007 and the statements of operations and changes in net assets for each of the years ended December 31, 2009 and 2008, and for the period from incorporation on March 20, 2007 to December 31, 2007. These financial statements are the responsibility of the management of Education Beyond Borders Society. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as explained in the following paragraph, we conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many non-profit organizations, the Society derives most of its revenue from the general public in the form of donations and certain fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society, and we were not able to determine whether any adjustment might be necessary to donation and fundraising revenues, the excess of revenue over expenditures, current assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donation and fundraising revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2009, 2008 and 2007 and the results of its operations and its cash flows for the years ended December 31, 2009 and 2008 and for the period from incorporation on March 20, 2007 to December 31, 2007 in accordance with Canadian generally accepted accounting principles.

De Visser Gray LLP

Vancouver, B.C.
November 5, 2010

Chartered Accountants

Education Beyond Borders Society

STATEMENTS OF FINANCIAL POSITION

	As at December 31, 2009	As at December 31, 2008	As at December 31, 2007
CURRENT ASSETS			
Cash	\$ 5,388	\$ 2,011	\$ 3,542
Prepaid expense	500	-	-
	<u>\$ 5,888</u>	<u>\$ 2,011</u>	<u>\$ 3,542</u>
CURRENT LIABILITIES			
Accounts payable	\$ 1,654	\$ 360	\$ 685
NET ASSETS			
Unrestricted net assets	4,234	1,651	2,857
	<u>\$ 5,888</u>	<u>\$ 2,011</u>	<u>\$ 3,542</u>

Approved by:

"Noble Kelly" President

"John J. Barclay" Secretary/Treasurer

The accompanying notes are an integral part of these financial statements

Education Beyond Borders Society

STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

	Year ended December 31, 2009	Year ended December 31, 2008	Date of incorporation on March 20, 2007 to December 31, 2007
REVENUES			
Donations	\$ 68,743	\$ 84,936	\$ 19,575
Other income	-	-	1,025
Fundraisers income	2,792	-	-
Interest income	29	142	11
	<u>\$ 71,564</u>	<u>\$ 85,078</u>	<u>\$ 20,611</u>
EXPENDITURES			
Administration			
Bank and interest charges	\$ 33	\$ 65	\$ -
Communications	782	300	432
Consulting expense	-	8,400	-
Membership and partnership fees	60	-	236
Postage	-	38	43
Printing	269	-	63
Professional fees	850	447	450
Travel	59	-	197
	<u>2,053</u>	<u>9,250</u>	<u>1,421</u>
Project expenditures			
Accommodations- facilitators	8,686	15,334	-
Accommodations- participants	9,086	6,074	-
Transportation- air	21,658	33,775	6,918
Transportation- ground	6,239	5,775	-
Transportation subsidies	1,553	893	-
Workshop printing	1,574	1,892	-
Communications	1,209	668	-
Workshop supplies	1,569	324	9,015
In-country stipend	2,108	4,092	400
School equipment	8,701	7,387	-
Scholarships	2,560	-	-
Bank withdrawal fees	200	134	-
EBB on-campus initiatives	1,475	-	-
Miscellaneous	310	686	-
	<u>\$ 66,928</u>	<u>\$ 77,034</u>	<u>\$ 16,333</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,583	\$ (1,206)	\$ 2,857
Net assets, Beginning of the year	1,651	2,857	-
Net assets, End of the year	<u>\$ 4,234</u>	<u>\$ 1,651</u>	<u>\$ 2,857</u>

The accompanying notes are an integral part of these financial statements

Education Beyond Borders Society

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2009, 2008 and from incorporation on March 20, 2007 to December 31, 2007

1. NATURE OF OPERATIONS AND GOING CONCERN

Education Beyond Borders Society ("the Society") is a not-for-profit organization that was incorporated under the Society Act of British Columbia on March 20, 2007. The Society is exempt from taxation under section 149(e) of the Income Tax Act (Canada). The Society was established for the purpose of supporting and encouraging community education throughout the world, specifically by the provision of professional development resources for teachers.

The Society has no source of operating revenue and its future operations are therefore dependent upon the receipt of continued unrestricted donations and other non-repayable funding, potentially from government sources. In the event such funding is not received, the Society would in due course deplete its cash on hand and be required to cease operations. These financial statements reflect no provisions for such an eventuality, and are prepared on the assumption that the Society will continue to operate substantially as it has from inception.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles which necessarily involve the use of estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies summarized below.

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets. Restricted investment income is recognized as revenue in the year in which the related expenditures are incurred. Unrestricted investment income is recognized as revenue when earned.

Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates and assumptions are based on management's best information and judgment and may differ significantly from actual results.

Contributed materials and services

Teachers and other volunteers contribute a significant amount of time in support of Society. As this time cannot be easily valued, contributed services are not recognized in the financial statements. Contributed materials are also not recognized.

Education Beyond Borders Society

NOTES TO THE FINANCIAL STATEMENTS

From incorporation on March 20, 2007 to December 31, 2009

3. STATEMENT OF CASH FLOWS

A statement of cash flows has not been presented as all cash flows are readily determinable from the financial statement presented.

4. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash and accounts payable.

Fair Value

The fair value of cash and accounts payable approximate their carrying amounts due to their short terms to maturity.