



LIMITLESS HORIZONS IXIL, INC.

Report on Reviewed Financial Statements

**For the Year Ended
December 31, 2018**

Archer365 PLLC
Certified Public Accountants

Independent Accountants' Review Report.....1

Financial Statements

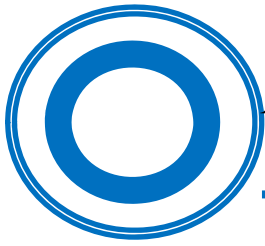
Statement of Financial Position2

Statement of Activities.....3

Statement of Functional Expenses4

Statement of Cash Flows5

Notes to Financial Statements.....6



Archer365 PLLC

Certified Public Accountants

Independent Accountants' Review Report

To the Board of Directors
LIMITLESS HORIZONS IXIL, INC.
Roslindale, Massachusetts

We have reviewed the accompanying financial statements of Limitless Horizons IXIL, Inc. (a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2018, and the related Statement of Activities, Statement of Functional Expenses and the Statement of 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 entity 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 these 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.

Accountant's 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.

Accountant's 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.

Archer365 PLLC

November 5, 2019

Limitless Horizons Ixil, Inc.

Statement of Financial Position

As of December 31, 2018

Assets

Current Assets

Cash and Cash Equivalents	\$ 231,308
Investments (at fair value)	97,409
Contributions Receivable	28,479
Grants Receivable	25,000
Prepaid Expenses and Other Assets	3,428

Total Current Assets	385,624
-----------------------------	---------

Property and Equipment at Cost

Land	30,073
Land Improvements	1,172
Computer Equipment	5,521
Office Equipment	7,470
	44,236

Less: Accumulated Depreciation	9,650
--------------------------------	-------

Total Property and Equipment, Net	34,586
--	--------

Total Assets	\$ 420,210
---------------------	------------

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 6,188
Accrued Liabilities	32,675

Total Current Liabilities	38,863
----------------------------------	--------

Net Assets

Net Assets without Donor Restrictions	324,800
Net Assets with Donor Restrictions	56,547

Total Net Assets	381,347
-------------------------	---------

Total Liabilities and Net Assets	\$ 420,210
---	------------

Limitless Horizons Ixil, Inc.

Statement of Activities

For the Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2018</u>
Revenue and Support			
Contributions	\$ 150,519	\$ 32,160	\$ 182,679
Grants	-	56,547	56,547
Craft Sales	28,234	-	28,234
Tourism Revenue	30,947	-	30,947
Interest and Other	6,897	-	6,897
Gain on Sale of Investments	10,066	-	10,066
Unrealized Loss on Investments	(11,438)	-	(11,438)
Net Assets Released from Restrictions	<u>92,160</u>	<u>(92,160)</u>	<u>-</u>
Total Revenues and Support	<u>307,385</u>	<u>(3,453)</u>	<u>303,932</u>
Expenses			
Program Services	305,220	-	305,220
Fundraising	62,671	-	62,671
General and Administrative	<u>32,312</u>	<u>-</u>	<u>32,312</u>
Total Operating Expenses Before Depreciation	<u>400,203</u>	<u>-</u>	<u>400,203</u>
Depreciation	<u>1,934</u>	<u>-</u>	<u>1,934</u>
Total Expenses	<u>402,137</u>	<u>-</u>	<u>402,137</u>
Change in Net Assets	(94,752)	(3,453)	(98,205)
Net Assets at Beginning of Year	<u>419,552</u>	<u>60,000</u>	<u>479,552</u>
Net Assets at End of Year	<u>\$ 324,800</u>	<u>\$ 56,547</u>	<u>\$ 381,347</u>

Limitless Horizons Ixil, Inc. Horizons Ixil, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2018

	Program Services	Supporting Services			Total 2018
		General and Administrative	Fundraising	Supporting Subtotal	
Expenses					
Distributions to Guatemalan NGO	\$ 184,766	\$ -	\$ -	\$ -	\$ 184,766
Salaries and Related Benefits	73,183	19,958	39,918	59,876	133,059
Cost of Craft Sales	10,920	-	-	-	10,920
Stipends	6,892	1,880	3,759	5,639	12,531
Tourism expenses	14,810	-	-	-	14,810
Rent, Utilities and Maintenance	3,456	1,017	2,304	3,321	6,777
Travel and Meals	2,647	779	1,765	2,544	5,191
Telephone and Technology	2,251	662	1,500	2,162	4,413
Bank and Processing Fees	-	2,982	-	2,982	2,982
Supplies and Materials	510	149	340	489	999
Accounting and Legal Fees	-	3,226	-	3,226	3,226
Consulting	4,971	1,420	7,811	9,231	14,202
Printing, Publication, Posting and Shipping	-	-	4,732	4,732	4,732
Other	814	239	542	781	1,595
Total Expenses	\$ 305,220	\$ 32,312	\$ 62,671	\$ 94,983	\$ 400,203

Limitless Horizons Ixil, Inc.

Statement of Cash Flows

For the Year Ended December 31, 2018

Cash Flows from Operating Activities:	
Change in Net Assets	\$ (98,205)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	1,934
Net unrealized losses on investments	11,438
Changes in Assets and Liabilities:	
Contributions and Grants Receivable, Net	(11,851)
Prepaid Expenses and Other Assets	(2,565)
Accounts Payable and Accrued Liabilities	15,361
Net Cash Used by Operating Activities	<u>(83,888)</u>
Cash Flows from Investing Activities:	
Purchases of Investments	(4,543)
Sales of Investments	80,419
Purchases of Property and Equipment	(5,080)
Net Cash Provided by Investing Activities	<u>70,796</u>
Net Decrease in Cash and Cash Equivalents	(13,092)
Cash and Cash Equivalents, Beginning of Year	<u>244,400</u>
Cash and Cash Equivalents, End of Year	<u>\$ 231,308</u>

(1) Summary of Significant Accounting Policies and General Information**(a) Organization**

Limitless Horizons Ixil (LHI) is a non-profit organization, incorporated and located in the State of Massachusetts. LHI's mission is to create opportunities for the indigenous youth, women, and families of Chajul, Guatemala, to develop the academic and professional skills needed to effect change in their lives and community. The organization is supported primarily through contributions and grants.

(b) Basis of presentation

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

(c) Cash and cash equivalents

LHI considers all cash on hand and in banks to be cash equivalents.

(d) Contributions and grants receivables

Contributions and other receivables approximate fair value.

(e) Allowance for uncollectible contributions and grants receivables

LHI uses the allowance method to record uncollectible contributions and grants receivable. The allowance is based on prior years' experience and management's analysis of specific contributions and grants made. Management has determined that all contributions and grants are collectible as of December 31, 2018. Accordingly, an allowance for doubtful accounts has not been established.

(f) Investments

Investments are carried at fair value. LHI invests in exchange-traded funds (ETFs) which are classified in Level 1 of the fair value hierarchy because their fair values are based on quoted prices for identical securities.

(g) Property and equipment

Property and equipment in excess of \$65 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense for the year ended December 31, 2018 totaled \$1,934.

(h) Income taxes

LHI is exempt from Federal Income Taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. LHI is not a private foundation.

(i) *Classes of Net Assets*

The financial statements report amounts separately by class of net assets as follows:

Without Donor Restrictions include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of LHI and include both internally designated and undesignated resources.

With Donor Restrictions include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of LHI and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

(j) *Contributions and grants*

Contributions without donor restrictions and contributions with donor restrictions are recorded as revenue in the year notification is received from the donor. Contributions and grants with donor restrictions are recognized as without donor restrictions only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of the time restrictions. Such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

(k) *In-kind contributions*

No amounts have been reflected in the statements for donated volunteer services because the criteria for recognition under generally accepted accounting principles have not been satisfied. However, a substantial number of volunteers have donated significant amounts of their time to develop LHI's programs and fundraising events.

(l) *Use of estimates*

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

(m) *Functional allocation of expenses*

The Statements of Activities and Changes in Net Assets report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related benefits, stipends, rent, travel, utilities and supplies. All of the foregoing expenses listed in the previous sentence are allocated based upon hours spent and expenses incurred in each program or supporting function.

(n) Liquidity

As part of LHI's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, LHI invests cash in excess of a Board approved threshold in investments. LHI has \$382,196 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash and cash equivalents of \$231,308, Investments of \$97,409, and Contributions and Grants Receivable of \$53,479. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the balance sheet date. The contributions receivable are subject to implied time restrictions but are expected to be collected within one year. LHI has a goal to maintain financial assets, which consist of cash and cash equivalents to meet 90 days of normal operating expenses, which are on average, approximately \$100,000. The 90 day policy is self-imposed, and is not a formal board restriction. LHI has a policy, however, to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, LHI invests cash in excess of their policy in various investments, including certificates of deposits and exchange-traded funds.

(o) Recent Accounting Pronouncements

Issued in August 2016 ASU 2016-14, *Presentation of Financial Statements of Non-Profit Entities*, makes certain improvements that address many, but not all, of the identified issues about the financial reporting for not-for-profits. The amendments in this Update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Application to interim financial statements is permitted but not required in the initial year of application. Early application of the amendments in this Update is permitted. The amendments in this Update should be initially adopted only for an annual fiscal period or for the first interim period within the fiscal year of adoption. The amendments in this Update should be applied on a retrospective basis in the year the Update is first applied. However, if presenting comparative financial statements, a not for profit has the option to omit certain information for any periods presented before the period of adoption. LHI has evaluated the effects ASU 2016-14 will have on its financial statements and related disclosures and has updated its disclosure herein. The adoption of this pronouncement had no effect on the amounts reported in this financial statement.

(2) Investments

The overall investment objective of LHI is to attain a long-term rate of return sufficient to fund a portion of its annual activities and to preserve and enhance the real (inflation-adjusted) purchasing power of the investment portfolio. LHI diversifies its investments among various asset classes and the funds invested in ETFs are authorized by the Board of Directors.

LHI's investments by major category in the fair value hierarchy as of December 31, 2018 are as follows:

	Classification	Fair Value
Bonds	Level 1	\$ 34,650
Stocks	Level 1	<u>62,759</u>
Total		<u>\$ 97,409</u>

There were no transfers into or out of Level 1, Level 2, or Level 3 for the year ended December 31, 2018. There are no Level 2 or Level 3 investments.

The investment returns for the year ended December 31, 2018 is summarized as follows:

Investment return:

Interest and dividends	\$ 4,200
Net unrealized losses	<u>(11,438)</u>
Investment return	<u>\$ (7,238)</u>

(3) Net Assets with Donor Restrictions

Contributions and grants receivable at December 31, 2018 consist principally of promises to give that have been made by occurrence of the passage of time:

For periods after December 31, 2018	\$ <u>56,547</u>
Total	\$ <u>56,547</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

	<u>For the Year Ended December 31, 2018</u>
Passage of specified time	\$ 60,000
Purpose restrictions accomplished Program Services	<u>32,160</u>
Total	\$ <u>92,160</u>

(4) Subsequent Events

In preparing these financial statements, LHI has evaluated events and transactions for potential recognition or disclosure through November 5, 2019, the date the financial statements were issued.