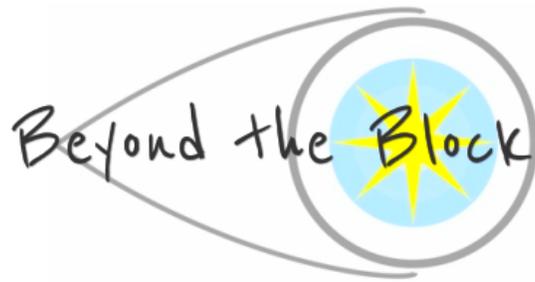


Beyond the Block 2009-2010 Annual Report

Beyond the Block is a 501(c)3 educational nonprofit. Our mission is to improve global awareness, increase intellectual curiosity, develop critical-thinking skills, and encourage completion of high school and post-secondary education in at-risk youth through the production of educational travel documentary videos, an accompanying curriculum, and other educational opportunities and materials.



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Dear Friends and Donors,

This past year has brought some exciting developments that are indicative of the positive direction that Beyond the Block is heading! Several major milestones have been met that we couldn't be happier about.

We are immensely grateful for your continued support. This past year saw \$5,255 in individual donations! Thank you does not begin to describe our gratitude! Last year, your support allowed us to film and produce our educational travel documentary *Beyond the Block: The Dominican Republic*. This year, your support has allowed for travel and supplies to present this documentary as part of an interactive curriculum to over 1,000 of students at 9 different schools in Los Angeles and San Francisco.

We are thrilled that the teachers and students we have encountered enjoy what we do and want to see it continue. Our mission, and the video through which it is manifested, has been well received by the community we serve. We could not ask for a more positive response and we can't wait to continue making connections with students.

Though many schools qualify to receive our products and services gratis, we also sell our documentaries and curriculum at full or discounted prices. This year has brought our first sales of the *Beyond the Block: The Dominican Republic* curriculum. In order to ensure that our products and services remain exclusively identified with Beyond the Block's identity as an organization, we have secured a trademark for the name of our organization.

In addition to your individual donations, we also pursued other fundraising opportunities this past year. DJ Rosie Mazza held several special event nights for us at San Francisco's Poleng Lounge, donating a portion of the nights' proceeds to Beyond the Block. These events not only brought in revenue to the organization but also spread awareness about Beyond the Block! A win-win!

We want to create an organization that can be believed in: by our students, teachers, and you, our supporters. I hope you are proud of the progress we've made this past year. We certainly are, and we're already off and running on another ambitious year! From the bottom of

my heart, thank you for your support. We look forward to your continued support in the years to come as we expand our reach and increase our impact!

Sincerely,

Deborah Ribera, M.S.
Founder and CEO
Beyond the Block, Inc.

Letter from the CEO

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Financial Statements

BEYOND THE BLOCK, INC.

August 31, 2010

BEYOND THE BLOCK, INC.

Statement of Financial Position
(Expressed in US Dollars)

August 31, 2010

	Notes	2010 \$	2009 \$
ASSETS			
Cash and cash equivalents	3	6,410	3,726
Property and equipment – net	4	2,658	2,059
		9,068	5,785
LIABILITIES			
None		-	-
		-	-
NET ASSETS			
Unrestricted		9,068	5,785
		9,068	5,785

These financial statements were approved on behalf of the Organization on _____
by the following:

Director

Director

BEYOND THE BLOCK, INC.

Statement of Activities
(Expressed in US Dollars)

For the year ended August 31, 2010

		2010	2009
	Notes	\$	\$
OPERATING SUPPORT AND REVENUE			
Support:			
Donations from foundations, corporations, and individuals		5,255	6,626
Revenue:			
Sale		204	-
Other income		25	25
		<u>5,484</u>	<u>6,651</u>
EXPENSES			
Travel expense		488	495
Depreciation expense	4	463	258
Supplies expense		611	88
Bank charges and fees		25	25
Copyright		494	-
Others		120	-
		<u>2,201</u>	<u>866</u>
CHANGE IN NET ASSETS		<u>3,283</u>	<u>5,785</u>

BEYOND THE BLOCK, INC.

Statement of Changes in Net Assets
(Expressed in US Dollars)

For the year ended August 31, 2010

	2010	2009
	\$	\$
Balance at beginning of the year	5,785	-
Change in net assets during the year	3,283	5,785
Balance at end of year	9,068	5,785

BEYOND THE BLOCK, INC.Statement of Cash Flows
(Expressed in US Dollars)

For the year ended August 31, 2010

	2010	2009
	\$	\$
CASH AND CASH EQUIVALENTS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Change in net assets during the year	3,283	5,785
Adjustment for non-cash item:		
Depreciation expense	463	258
	<u>3,746</u>	<u>6,043</u>
INVESTING ACTIVITIES		
Purchase of computer	(1,062)	(1,472)
Purchase of video equipment	-	(845)
	<u>(1,062)</u>	<u>(2,317)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING YEAR	2,684	3,726
Cash and cash equivalents at beginning of year	<u>3,726</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>6,410</u>	<u>3,726</u>

BEYOND THE BLOCK, INC.

Notes to Financial Statements

August 31, 2010

1. ORGANIZATION

Beyond the Block, Inc. (“the Organization”) is a non-profit organization incorporated on September 10, 2007 to improve global awareness, increase intellectual curiosity, develop critical-thinking skills, and encourage completion of high school and post-secondary education in at-risk youth through the production of educational travel documentary videos, an accompanying curriculum, and other educational opportunities and materials.

The registered office of the organization is located at 2622 19th Avenue, San Francisco, California, 94166, United States of America.

The organization is funded by individual donors and grants.

The organization is recognized by the Internal Revenue Service in December 2008 as a qualified nonprofit organization as described in Section 501(c) (3) of the U.S. Internal Revenue Code (“the Code”) and is, therefore, exempt from federal income taxes on operations related to its exempt purpose and other income. The organization is also recognized by the California Franchise Tax Board as exempt in California under the California Revenue and Taxation Code Section 23701(d).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are presented under the accrual basis of accounting with unrestricted net assets in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits and funds which have insignificant risk of changes in value.

Property and Equipment

Property and equipment are recorded at cost if purchased or, if donated, at fair value, at the date of the gift, less any accumulated depreciation and amortization. Depreciation is provided, on the straight-line method, over the estimated useful life of the asset, which ranges from three to five years.

Unrestricted Net Assets

Unrestricted net assets consist of resources of the organization that have not been restricted by the donor. The major sources of revenue for the organization are grants from private institutions and individuals. Unrestricted net assets may be designated for specific purposes by the organization’s Board of Directors.

BEYOND THE BLOCK, INC.

Notes to Financial Statements

August 31, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Contributions are recognized as revenue when they are unconditionally received or promised.

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. These estimates and assumptions affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, if any, at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recent Applicable Accounting Pronouncements

- In April 2009, the Financial Accounting Standards Board (“FASB”) issued ASC Topics 820-10-35, 50 and 55 (formerly FSP FAS 157-4), *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased*. This provides additional guidance on estimating the fair value of an asset where the level of activity has decreased significantly, and affirms that the objective fair value is the price that would be received to sell the asset in an orderly transaction, even when the market for the asset is not active. The Standard has been adopted by the organization but has no impact the organization’s financial statements.
- *Accounting for Uncertainty in Income Taxes*, ASC 740-10-25, clarifies the accounting for uncertainty in income taxes recognized in an entity’s financial statements and provides guidance on the recognition, de-recognition and measurement of benefits related to an entity’s uncertain tax positions, if any. The Standard has been adopted by the organization but has no impact the organization’s financial statements. No material change is anticipated in the next 12 months.
- Accounting Standards Update (ASU) 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. This pronouncement amends the guidance in US GAAP for measuring the fair value of investments in certain entities that do not have a quoted market price but calculate net asset value per share or its equivalent. Equivalents to net asset value per share include net asset value per member unit or per an ownership interest in partners’ capital that is entitled to a proportionate share of net assets. Such investments sometimes referred to as alternative investments can include certain hedge funds, private equity funds, real estate funds, venture capital funds, and offshore funds. As a practical expedient, the amendments in ASU 2009-2 permit, but do not require, a reporting entity to measure the fair value of an investment in an investee’s net asset value per share or its

equivalent. The organization adopted this pronouncement but the adoption did not have a material effect on the financial statements.

BEYOND THE BLOCK, INC.

Notes to Financial Statements

August 31, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Upcoming Accounting Pronouncements

- In January 2010, the FASB issued ASU No. 2010-06, *Improving Disclosures about Fair Value Measurements*. This amends ASC 820 to require additional disclosures. The guidance requires entities to disclose transfers of assets in and out of Levels I and II of the fair value hierarchy, and the reasons for those transfers. ASU 2010-06 is effective for fiscal years beginning after December 15, 2009. In addition, the guidance requires separate presentation of purchases and sales in Level III asset reconciliation; this is effective for fiscal year beginning after December 15, 2010. The adoption of this guidance is not expected to have an impact on the organization's financial statements.
- In July 2010, the FASB issued ASU No. 2010-20, *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*. This enhances the disclosure requirements for financing receivables in ASC 310, Receivables. The amended disclosures are designed to provide more information to financial statement users about the credit quality of a creditor's portfolio of financing receivables and the adequacy of its allowance for credit losses by requiring entities to disclose: the nature of the credit risk inherent in the receivables; how the entity analyzes and assesses credit risk to estimate the allowance for credit losses; and the changes in both the receivables and the allowance for credit losses, and the reason for those changes. Financing receivables include, but are not limited to, loans, trade accounts receivable, notes receivable, and receivables related to a lessor's leveraged, direct financing, and sales-type leases. ASU 2010-20 is effective for fiscal years ending on or after December 15, 2011. The adoption of this guidance is not expected to have an impact on the organization's financial statements.

3. CASH AND CASH EQUIVALENTS

As at August 31, 2010, the organization's cash and cash equivalents consist of a checking account amounting to \$6,410 (2009: \$3,726). The checking account is maintained at Wells Fargo Bank in a nonprofit checking account and is non-interest bearing.

BEYOND THE BLOCK, INC.

Notes to Financial Statements

August 31, 2010

4. PROPERTY AND EQUIPMENT

The organization's property and equipment consists of the following:

August 31, 2010	Computer	Video Equipment	Total
COST			
Balance at beginning of year	1,472	845	2,317
Additions	1,062	-	1,062
Disposals	-	-	-
Balance at end of year	2,535	845	3,379
ACCUMULATED DEPRECIATION			
Balance at beginning of year	173	85	258
Depreciation	294	169	463
Disposals	-	-	-
Balance at end of year	467	254	721
CARRYING VALUE AT END OF YEAR	2,068	591	2,658

August 31, 2009	Computer	Video Equipment	Total
COST			
Balance at beginning of year	-	-	-
Additions	1,472	845	2,317
Disposals	-	-	-
Balance at end of year	1,472	845	2,317
ACCUMULATED DEPRECIATION			
Balance at beginning of year	-	-	-
Depreciation	173	85	258
Disposals	-	-	-
Balance at end of year	173	85	258
CARRYING VALUE AT END OF YEAR	1,299	760	2,059

5. INCOME TAXES

The organization is recognized by the Internal Revenue Service as a qualified nonprofit organization as described in Section 501(c)(3) of the U.S. Internal Revenue Code (the "Code") and is, therefore, exempt from federal income taxes on operations related to its exempt purpose and other income. The organization is also recognized by the California Franchise Tax Board as exempt in California under the California Revenue and Taxation Code Section 23701(d). However, unrelated business income, if any, would be subject to income tax.

BEYOND THE BLOCK, INC.

Notes to Financial Statements

August 31, 2010

5. INCOME TAXES (continued)

The organization files income tax returns in the U.S federal jurisdiction and various state and foreign jurisdictions. Pursuant to the statute of limitations, the organization is open to audit by various taxing authorities. The organization currently does not have any examinations in progress. In the event the organization has assessment from a taxing authority, it is its accounting policy to recognize any interest and penalties as a component of income tax expense.

6. SUBSEQUENT EVENTS

There were no adjusting or other non-adjusting subsequent events that need to be disclosed or reflected in the financial statements.

For More Information

For more information please visit
our website at

www.beyondtheblock.org