

**Harvest Bridge
Financial Statements
December 31, 2017**

**Harvest Bridge
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Independent Accountant's Review Report

Board of Directors
Harvest Bridge
Grove City, Pennsylvania

We have reviewed the accompanying statement of financial position of Harvest Bridge (a non-profit organization) as of December 31, 2017 and the related statements of activities, functional expenses and cash flows for the year then ended. 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 and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. 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 conformity with accounting principles generally accepted in the United States of America.

Respectfully submitted,

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
June 25, 2018

Harvest Bridge
Statement of Financial Position
December 31, 2017

ASSETS	
Current Assets	
Cash	\$32,835
Contributions Receivable	<u>60,853</u>
TOTAL ASSETS	<u>\$93,688</u>
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts Payable	\$ 1,000
Accrued Expenses	<u>3,566</u>
Total Liabilities	<u>4,566</u>
Net Assets	
Unrestricted	25,672
Temporarily Restricted	<u>63,450</u>
Total Net Assets	<u>89,122</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$93,688</u>

See Accompanying Notes and Independent Accountant's Review Report

**Harvest Bridge
Statement of Activities
Year Ended December 31, 2017**

	Unrestricted	Temporarily Restricted	Totals
Revenues and Support			
Contributions	\$128,718	\$ 220,956	\$349,674
Other Income	1,892	-	1,892
Net Assets Released from Restrictions	<u>198,335</u>	<u>(198,335)</u>	<u>-</u>
Total Revenues and Support	<u>328,945</u>	<u>22,621</u>	<u>351,566</u>
Expenses			
Program Services			
Mission Programs	234,240	-	234,240
General and Administrative	38,262	-	38,262
Fundraising	<u>41,514</u>	<u>-</u>	<u>41,514</u>
Total Expenses	<u>314,016</u>	<u>-</u>	<u>314,016</u>
Changes in Net Assets	14,929	22,621	37,550
Net Assets - January 1, 2017 (Restated - See Note 2)	<u>10,743</u>	<u>40,829</u>	<u>51,572</u>
Net Assets - December 31, 2017	<u>\$ 25,672</u>	<u>\$ 63,450</u>	<u>\$ 89,122</u>

See Accompanying Notes and Independent Accountant's Review Report

Harvest Bridge
Statement of Functional Expenses
December 31, 2017

	Mission Programs	Total Program Services	General and Administrative	Fundraising	Total Support Services	Total Expenses
Grants	\$172,466	\$172,466	\$ -	\$ -	\$ -	\$172,466
Wages	36,971	36,971	22,543	30,658	53,201	90,172
Payroll Taxes and Benefits	4,459	4,459	2,718	3,697	6,415	10,874
Short-Term Trips	18,741	18,741	-	-	-	18,741
Office Expenses	162	162	7,944	134	8,078	8,240
Bank and Wire Fees	-	-	3,381	-	3,381	3,381
Direct Mail/Marketing	-	-	-	3,245	3,245	3,245
Training, Seminars and Conferences	-	-	-	2,586	2,586	2,586
Postage and Shipping	717	717	438	594	1,032	1,749
Printing	658	658	401	545	946	1,604
Insurance	-	-	642	-	642	642
Supplies	66	66	40	55	95	161
Licenses and Registrations	-	-	155	-	155	155
	<u>\$234,240</u>	<u>\$234,240</u>	<u>\$38,262</u>	<u>\$41,514</u>	<u>\$79,776</u>	<u>\$314,016</u>

See Accompanying Notes and Independent Accountant's Review Report

Harvest Bridge
Statement of Cash Flows
Year Ended December 31, 2017

Operations	
Increase in Net Assets	\$ 37,550
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities	
Increase in Contributions Receivable	(27,101)
Decrease in Accounts Payable and Accrued Expenses	<u>(4,862)</u>
Net Cash Provided by Operating Activities	<u>5,587</u>
Net Increase in Cash	5,587
Cash - January 1, 2017	<u>27,248</u>
Cash - December 31, 2017	<u>\$ 32,835</u>

See Accompanying Notes and Independent Accountant's Review Report

Harvest Bridge
Notes to Financial Statements
December 31, 2017

Note 1 - Nature of Operations

Harvest Bridge (the Organization) is a not-for-profit corporation located in Grove City, Pennsylvania. The Organization is a network of trusted indigenous churches and ministries that cooperate on pastor education, poverty alleviation, vocational training, evangelism, and various other missionary and humanitarian programs.

In addition, Harvest Bridge works closely with other organizations in the design, implementation, monitoring and reporting of projects which align with the Organization's mission.

Note 2 - Restatement of Beginning Net Assets

During 2017, the Organization changed its basis of accounting from a special purpose framework, modified cash basis, to GAAP, accrual basis. The effect of the change was a restatement of net assets as of January 1, 2017, as noted below:

	Unrestricted	Temporarily Restricted	Totals
Net Assets - December 31, 2016 (Previously Reported)	\$(3,670)	\$21,490	\$17,820
Adjustments to Receivables	<u>14,413</u>	<u>19,339</u>	<u>33,752</u>
Net Assets - January 1, 2017	<u>\$10,743</u>	<u>\$40,829</u>	<u>\$51,572</u>

Note 3 - Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

B. Basis of Presentation

Financial statement presentations follow the recommendations of the Financial Accounting Board in its Financial Accounting Standards Codification (ASC) *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets; temporarily restricted net assets; and permanently restricted net assets. Accordingly, the net assets of the Organization are classified and reported as follows:

Harvest Bridge
Notes to Financial Statements
December 31, 2017

Note 3 - Summary of Significant Accounting Policies (Cont'd)

B. Basis of Presentation (Cont'd)

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets

Net assets that have donor imposed restrictions, such as giving for a specific fundraising event or for fulfilling a specified purpose and/or the passage of a specified amount of time.

Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. As of December 31, 2017, the Organization does not have any permanently restricted net assets.

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Revenue and Support

Revenue is recognized when earned. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction.

When a restriction expires (that is when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Expenses are reported as decreases in unrestricted net assets.

Harvest Bridge
Notes to Financial Statements
December 31, 2017

Note 3 - Summary of Significant Accounting Policies (Cont'd)

E. Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require the Organization's management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken a position that is uncertain. An uncertain position is defined as one in which there is a 50% or greater likelihood that the position will not be sustained upon examination by a taxing authority. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2017, there are no uncertain tax positions taken or expected to be taken. The Organization has recognized no interest or penalties related to uncertain tax positions. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes the Organization is no longer subject to income tax examinations for years prior to 2014.

Note 4 - Functional Allocation of Expense

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Note 5 - Concentration of Risk

The Organization maintains cash balances in banks which are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At December 31, 2017, all of the Organization's cash balances were insured.

Note 6 - Restrictions on Net Assets

Temporarily restricted net assets are available for the following purposes at December 31, 2017:

Motorcycles for South Asian Pastors	\$21,080
Construction of Children's Home	14,206
Support for Pastors	11,675
Bibles for South Asian Christians	9,892
Trips	4,500
Other	<u>2,097</u>
	<u>\$63,450</u>

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Notes to Financial Statements
December 31, 2017

Note 7 - Grants

The grants of \$172,466 as shown in the statement of functional expenses were for the following purposes:

Church Planting and Evangelism	\$102,395
Relief and Development Projects	37,932
Child Sponsorship	11,400
Other Children's Programs	7,741
Gypsy and Tribal Outreach	6,873
Pastor Education	3,875
Social Enterprise	<u>2,250</u>
	<u>\$172,466</u>

Note 8 - Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 25, 2018, the date the financial statements were available to be issued.