

**Harvest Bridge
Financial Statements
December 31, 2018**

**Harvest Bridge
Table of Contents**

	Page No.
Independent Accountant's Review Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9

HOSACK, SPECHT, MUETZEL & WOOD LLP
CERTIFIED PUBLIC ACCOUNTANTS
2 PENN CENTER WEST, SUITE 326
PITTSBURGH, PENNSYLVANIA 15276
PHONE - 412-343-9200
FAX - 412-343-9209
HSMW@HSMWCPA.COM
WWW.HSMWCPA.COM

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, 2018 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
May 14, 2019

Harvest Bridge
Statement of Financial Position
December 31, 2018

ASSETS

Current Assets

Cash	\$44,645
Contributions Receivable	<u>41,166</u>

TOTAL ASSETS	<u>\$85,811</u>
--------------	-----------------

LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable	\$ 114
Accrued Expenses	<u>3,200</u>

Total Liabilities	<u>3,314</u>
-------------------	--------------

Net Assets

Without Donor Restriction	36,812
With Donor Restriction	<u>45,685</u>

Total Net Assets	<u>82,497</u>
------------------	---------------

TOTAL LIABILITIES AND NET ASSETS	<u>\$85,811</u>
----------------------------------	-----------------

See Accompanying Notes and Independent Accountant's Review Report

Harvest Bridge
Statement of Activities
Year Ended December 31, 2018

	Without Donor Restriction	With Donor Restriction	Totals
Revenues and Support			
Contributions	\$158,767	\$ 244,972	\$403,739
Other Income	1,723	-	1,723
Net Assets Released from Restrictions	<u>262,737</u>	<u>(262,737)</u>	<u>-</u>
Total Revenues and Support	<u>423,227</u>	<u>(17,765)</u>	<u>405,462</u>
Expenses			
Program Services			
Mission Programs	313,272	-	313,272
General and Administrative	47,156	-	47,156
Fundraising	<u>51,659</u>	<u>-</u>	<u>51,659</u>
Total Expenses	<u>412,087</u>	<u>-</u>	<u>412,087</u>
Changes in Net Assets	11,140	(17,765)	(6,625)
Net Assets - January 1, 2018	<u>25,672</u>	<u>63,450</u>	<u>89,122</u>
Net Assets - December 31, 2018	<u>\$ 36,812</u>	<u>\$ 45,685</u>	<u>\$ 82,497</u>

See Accompanying Notes and Independent Accountant's Review Report

Harvest Bridge
Statement of Functional Expenses
December 31, 2018

	Mission Programs	Total Program Services	General and Administrative	Fundraising	Total Support Services	Total Expenses
Grants	\$241,578	\$241,578	\$ -	\$ -	\$ -	\$241,578
Wages	51,380	51,380	31,329	42,608	73,937	125,317
Payroll Taxes and Benefits	5,305	5,305	3,235	4,398	7,633	12,938
Short-Term Trips	13,191	13,191	-	970	970	14,161
Office Expenses	308	308	7,465	255	7,720	8,028
Bank and Wire Fees	-	-	4,006	-	4,006	4,006
Direct Mail/Marketing	-	-	-	1,479	1,479	1,479
Training, Seminars and Conferences	-	-	-	700	700	700
Postage and Shipping	888	888	542	736	1,278	2,166
Printing	589	589	359	488	847	1,436
Supplies	33	33	20	25	45	78
Licenses and Registrations	-	-	200	-	200	200
	<u>\$313,272</u>	<u>\$313,272</u>	<u>\$47,156</u>	<u>\$51,659</u>	<u>\$98,815</u>	<u>\$412,087</u>

See Accompanying Notes and Independent Accountant's Review Report

Harvest Bridge
Statement of Cash Flows
Year Ended December 31, 2018

Operations	
Decrease in Net Assets	\$ (6,625)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities	
Decrease in Contributions Receivable	19,687
Decrease in Accounts Payable and Accrued Expenses	<u>(1,252)</u>
Net Cash Provided by Operating Activities	<u>11,810</u>
Net Increase in Cash	11,810
Cash - January 1, 2018	<u>32,835</u>
Cash - December 31, 2018	<u>\$44,645</u>

See Accompanying Notes and Independent Accountant's Review Report

Harvest Bridge
Notes to Financial Statements
December 31, 2018

Note 1 - Nature of Operations

Harvest Bridge (the Organization) is a not-for-profit corporation located in Grove City, Pennsylvania. The Organization's mission is to equip South Asian Christians to serve their communities more effectively. With the Organization's assistance, people and their communities in South Asia are transformed by the love of Christ.

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 - 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 two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of the time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Harvest Bridge
Notes to Financial Statements
December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Cont'd)

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 without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

When a restriction expires (that is when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Expenses are reported as decreases in net assets without donor restrictions.

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, 2018, 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 2015.

F. Change in Accounting Principles

The Organization implemented FASB ASU No. 2016-14 in the current year, applying the changes retrospectively. The new standards change the following aspects of the financial statement:

- The unrestricted net asset class has been renamed net assets without donor restriction.
- The temporarily restricted net asset class has been renamed net assets with donor restrictions.
- The financial statements include a disclosure about liquidity and availability of resources.

Harvest Bridge
Notes to Financial Statements
December 31, 2018

Note 3 - 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 4 - 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, 2018, all of the Organization's cash balances were insured.

Note 5 - Restrictions on Net Assets

Net assets with donor restrictions are available for the following purposes at December 31, 2018:

Support for Pastors	\$36,210
Bibles for South Asian Christians	6,055
Community Development and Poverty Alleviation	2,013
Other	1,384
Child Sponsorship	<u>23</u>
	<u>\$45,685</u>

Note 6 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2018, are:

Financial Assets:

Cash	\$ 44,645
Contributions Receivable	<u>41,166</u>
Total Financial Assets	<u>85,811</u>
Less: Financial assets held to meet donor-imposed Restrictions: Donor-Restricted Funds (See Note 5)	<u>(45,685)</u>
Amount Available for General Expenditures within One Year	<u>\$ 40,126</u>

For purposes of analyzing resources available to cover general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities and support of those activities to be general expenditures. As shown above, the Organization has \$40,126 available to cover general expenditures within one year. Furthermore, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. It should also be noted that grant expenditures are typically not authorized until contributions are received. Thus, the Organization has available funds to cover any short-term cash needs.

Harvest Bridge
Notes to Financial Statements
December 31, 2018

Note 7 - Grants

The grants of \$241,578 as shown in the statement of functional expenses were for the following purposes:

Church Planting and Evangelism	\$122,363
Relief and Development Projects	50,755
Other Children's Programs	32,518
Child Sponsorship	12,725
Pastor Education	11,471
Gypsy and Tribal Outreach	6,366
Social Enterprise	<u>5,380</u>
	<u>\$241,578</u>

Note 8 - Concentrations

The Organization received approximately 29% of its total revenue and support from two contributors. A significant reduction in the level of such support, if this were to occur, may have an adverse effect on the Organization's ability to continue its program and activities.

Note 9 - Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 14, 2019, the date the financial statements were available to be issued.