

BRIDGE OF HOPE HARRISBURG AREA

FINANCIAL REPORT

MARCH 31, 2023

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Bridge of Hope Harrisburg Area
Harrisburg, Pennsylvania

We have reviewed the accompanying financial statements of Bridge of Hope Harrisburg Area (the Organization), which comprise the statement of financial position as of March 31, 2023 and 2022, the related statements of activities, functional expenses and 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 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 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 the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania
December 19, 2023

BRIDGE OF HOPE HARRISBURG AREA

STATEMENTS OF FINANCIAL POSITION
March 31, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 268,546	\$ 204,982
Prepaid expenses	1,828	1,806
Total assets	\$ 270,374	\$ 206,788
LIABILITIES		
Current Liabilities		
Accounts payable	\$ -	\$ 488
Payroll liabilities	-	9,044
Total liabilities	-	9,532
NET ASSETS		
Without donor restriction	243,719	172,256
With donor restriction	26,655	25,000
Total net assets	270,374	197,256
Total liabilities and net assets	\$ 270,374	\$ 206,788

See Notes to Financial Statements
and Accountant's Report.

BRIDGE OF HOPE HARRISBURG AREA

STATEMENT OF ACTIVITIES

Year Ended March 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Special events	\$ 113,238	\$ -	\$ 113,238
Less costs of direct benefit to donors	(21,967)	-	(21,967)
Contributions	202,543	-	202,543
Grants	115,645	26,655	142,300
Interest	91	-	91
Net assets released from restrictions	25,000	(25,000)	-
Total revenues, gains and other support	434,550	1,655	436,205
Expenses			
Program services	232,906	-	232,906
Supporting services			
Management and general	84,031	-	84,031
Fundraising	46,150	-	46,150
Total expenses	363,087	-	363,087
Changes in net assets	71,463	1,655	73,118
Net Assets:			
April 1, 2022	172,256	25,000	197,256
March 31, 2023	\$ 243,719	\$ 26,655	\$ 270,374

See Notes to Financial Statements
and Accountant's Report.

BRIDGE OF HOPE HARRISBURG AREA

STATEMENT OF ACTIVITIES

Year Ended March 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Special events	\$ 61,930	\$ -	\$ 61,930
Less costs of direct benefit to donors	(16,012)	-	(16,012)
Contributions	203,183	-	203,183
Grants	80,048	25,000	105,048
Interest	46	-	46
Forgiveness of Paycheck Protection Program loan	18,300	-	18,300
Net assets released from restrictions	-	-	-
Total revenues, gains and other support	347,495	25,000	372,495
Expenses			
Program services	159,550	-	159,550
Supporting services			
Management and general	61,455	-	61,455
Fundraising	30,683	-	30,683
Total expenses	251,688	-	251,688
Changes in net assets	95,807	25,000	120,807
Net Assets:			
April 1, 2021	76,449	-	76,449
March 31, 2022	<u>\$ 172,256</u>	<u>\$ 25,000</u>	<u>\$ 197,256</u>

See Notes to Financial Statements
and Accountant's Report.

BRIDGE OF HOPE HARRISBURG AREA**STATEMENT OF FUNCTIONAL EXPENSES****Year Ended March 31, 2023**

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 135,497	\$ 55,317	\$ 34,760	\$ 225,574
Payroll taxes	13,937	4,721	3,821	22,479
Participant rental assistance	65,515	-	-	65,515
Participant emergency funds	6,715	-	-	6,715
Participant cultivation funds	976	-	-	976
Mentor training expense	435	-	-	435
Bridge of Hope nights	-	-	-	-
Annual appeal expense	-	-	2,386	2,386
Donor cultivation	-	-	3,410	3,410
Insurance	495	3,955	135	4,585
Memberships	-	7,879	-	7,879
Miscellaneous	-	696	-	696
Office expense	1,458	729	243	2,430
Postage	-	690	172	862
Professional fees	-	6,886	-	6,886
Promotional material	-	582	-	582
Service charges	-	261	65	326
Staff continuing education	1,312	-	-	1,312
Staff and board training	-	1,012	-	1,012
Staff retreat	-	-	-	-
Staff travel	4,310	539	539	5,388
Telephone and internet	2,256	764	619	3,639
	<u>\$ 232,906</u>	<u>\$ 84,031</u>	<u>\$ 46,150</u>	<u>\$ 363,087</u>

See Notes to Financial Statements
and Accountant's Report.

BRIDGE OF HOPE HARRISBURG AREA**STATEMENT OF FUNCTIONAL EXPENSES****Year Ended March 31, 2022**

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 106,522	\$ 33,722	\$ 24,760	\$ 165,004
Payroll taxes	8,488	2,875	2,327	13,690
Participant rental assistance	24,183	-	-	24,183
Participant emergency funds	9,145	-	-	9,145
Participant cultivation funds	1,027	-	-	1,027
Mentor training expense	-	-	-	-
Bridge of Hope nights	191	-	-	191
Annual appeal expense	-	-	1,324	1,324
Donor cultivation	-	-	405	405
Insurance	1,421	7,769	390	9,580
Memberships	-	5,977	-	5,977
Miscellaneous	-	1,968	-	1,968
Office expense	2,557	1,278	426	4,261
Postage	-	428	107	535
Professional fees	-	5,236	-	5,236
Promotional material	-	686	-	686
Service charges	-	186	46	232
Staff continuing education	1,252	-	-	1,252
Staff retreat	-	300	-	300
Staff travel	2,731	341	341	3,413
Telephone and internet	2,033	689	557	3,279
	<u>\$ 159,550</u>	<u>\$ 61,455</u>	<u>\$ 30,683</u>	<u>\$ 251,688</u>

See Notes to Financial Statements
and Accountant's Report.

BRIDGE OF HOPE HARRISBURG AREA

STATEMENTS OF CASH FLOWS Years Ended March 31, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Changes in net assets	\$ 73,118	\$ 120,807
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Forgiveness of Paycheck Protection Program loan	-	(18,300)
Changes in assets and liabilities		
(Increase) decrease in:		
Prepaid expense	(22)	1,522
Increase (decrease) in:		
Accounts payable	(488)	488
Accrued payroll withholding and taxes	(9,044)	7,949
Net cash provided by operating activities	63,564	112,466
Net increase in cash and cash equivalents	63,564	112,466
Cash and Cash Equivalents:		
Beginning	204,982	92,516
Ending	<u>\$ 268,546</u>	<u>\$ 204,982</u>
Noncash Financing Activities		
Forgiveness of Paycheck Protection Program loan	<u>\$ -</u>	<u>\$ 18,300</u>

See Notes to Financial Statements
and Accountant's Report.

BRIDGE OF HOPE HARRISBURG AREA

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of Activities: Bridge of Hope Harrisburg Area is a nonprofit organization whose mission is to end and prevent homelessness for women and children one family at a time, with the help of professional case management and support from trained mentoring groups within congregations.

Basis of Accounting: The financial statements of Bridge of Hope Harrisburg Area are prepared on the accrual basis of accounting. Under this basis of accounting, revenues are recognized when earned, and expenses are recognized when incurred.

Basis of Presentation: The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), which require reporting information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization. or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities.

Revenue and Support Recognition: The Organization accounts for revenue and support in accordance with the recommendations of the Financial Accounting Standards Board's (FASB) Revenue Recognition Topic of the ASC. The Organization reports grants, contributions, donations and other assets as restricted revenue if they are received with donor-imposed stipulations that limit the use of the donated assets. When a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the Statements of Activities as net assets released from restriction. If restricted funds are received and released in the same year, they are recorded as net assets without donor restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Accounts Receivable: Accounts receivable are written off as bad debt expense when they are determined to be uncollectible after a periodic management review of individual accounts. Management has determined that an allowance for uncollectible receivables is not necessary.

Advertising: The Organization expenses advertising costs as they are incurred.

Cash and Cash Equivalents: Bridge of Hope Harrisburg Area considers all short-term investments with an original maturity of three months or less to be cash equivalents.

BRIDGE OF HOPE HARRISBURG AREA

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Income Taxes: Bridge of Hope Harrisburg Area is a subsidiary organization under Bridge of Hope, Inc.'s group exemption letter from the Internal Revenue Service, operating as a 501(c)(3) organization. Contributions to the Organization are tax deductible.

The Organization follows the provisions of the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes* which requires an assessment of the Organization's exposure to income taxes at the entity level as a result of uncertain tax positions taken in current and previously filed tax returns. Examples of tax positions taken at the entity level include continuing qualification as a tax-exempt organization and whether any taxable, unrelated business income activities are conducted. Any tax benefits associated with uncertain tax positions that are in excess of a realization threshold must be recorded as a liability for unrecognized tax benefits in the financial statements, including any associated interest and penalties. Presently, management believes that it is more likely than not that the Organization's tax positions will be sustained upon examination, including any appeals and litigation and, therefore, management believes that the Organization has no exposure to income taxes arising from uncertain tax positions.

Allocations of Functional Expenses: The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses subject to allocation between programs or supporting function are allocated on the basis of estimates and time and effort.

Use of Estimates: Generally accepted accounting principles require management, under certain circumstances, to use accounting estimates. Actual results could differ from those estimates.

Adoption of New FASB Accounting Standards Update: In 2022, the Organization adopted the FASB ASC Topic 842 *Leases*, as amended, supersedes (ASC) Topic 840. This Standard requires lessees to recognize right-of-use assets and lease liabilities for all leases other than those that meet the definition of short-term leases. We have implemented Topic 842 with no effect on the statements as of March 31, 2023. The amendments have been applied under a modified prospective basis. Accordingly, there is no effect on net assets in connection with our implementation.

In 2022, the Organization adopted FASB's Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This Standard requires not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. Also, this ASU requires disclosure of a disaggregation of the amount of contributed nonfinancial assets by category that depicts the type of contributed nonfinancial assets, as well as additional information around valuation and usage of the contributed nonfinancial assets. We have implemented the provisions of ASU 2020-07 in the accompanying financial statements on a retrospective basis. Accordingly, there is no effect on net assets in connection with our implementation.

BRIDGE OF HOPE HARRISBURG AREA

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Subsequent Events: Subsequent events have been evaluated through December 19, 2023, which is the date the financial statements were available to be issued.

Note 2. Donated Services

Many individuals volunteer their time and perform a variety of tasks that assist the Organization in accomplishing its purpose. No amounts have been reflected in the financial statements for these services because the criteria for recognition have not been satisfied.

Note 3. Liquidity and Availability

Financial assets available for general expenditure, which is without donor restrictions limiting their use within one year of the Statements of Financial Position date, comprise the following:

	2023	2022
Financial assets at year-end		
Cash and cash equivalents	\$ 268,546	\$ 204,982
Total financial assets	<u>268,546</u>	<u>204,982</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>26,655</u>	<u>25,000</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 241,891</u>	<u>\$ 179,982</u>

BRIDGE OF HOPE HARRISBURG AREA

NOTES TO FINANCIAL STATEMENTS

Note 4. Paycheck Protection Program Loan

On June 23, 2020, Bridge of Hope Harrisburg Area received loan proceeds in the amount of \$18,300 under the Paycheck Protection Program (“PPP”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provided for loans to qualifying businesses in amounts up to 2.5 times the business’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (eight or 24 weeks) as long as the borrower maintained its payroll levels and used the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities. The forgiveness amount would have been reduced if the borrower terminated employees or reduced salaries during the covered period. Any unforgiven portion of a PPP loan would have been payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. Bridge of Hope Harrisburg Area intended to use PPP loan proceeds for purposes consistent with the PPP and apply for forgiveness within 10 months of the end of the covered period.

To the extent that Bridge of Hope Harrisburg Area would not have been granted forgiveness, Bridge of Hope Harrisburg Area would have been required to pay interest on the PPP loan at a rate of 1% per annum. If the application for forgiveness was not made within 10 months of the end of the covered period, payments of principal and interest would be required through the maturity date of June 23, 2022. The terms of the loan provide for customary events of default, including payment defaults, breach of representation of warranties and insolvency events. The PPP loan could have been accelerated upon the occurrence of a default event.

Bridge of Hope Harrisburg Area initially recorded a note payable and subsequently recorded forgiveness when the loan obligation was legally released. Bridge of Hope Harrisburg Area recognized \$18,300 of loan forgiveness income for the year ended March 31, 2022.

Note 5. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at March 31:

	2023	2022
Subject to expenditure for specified purpose:		
Participant rental and emergency assistance	\$ 26,655	\$ 25,000

During the years ended March 31, 2023 and 2022, net assets were released from donor restrictions by incurring expenses satisfying restricted purposes or by realization of events specified by donors as follows:

	2023	2022
Satisfaction of purpose restrictions		
Participant rental and emergency assistance	\$ 25,000	\$ -