

HOPE BEYOND BRIDGES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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Calvin K. Tang CPA

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors and Management
Hope Beyond Bridges

I have compiled the accompanying financial statements of Hope Beyond Bridges (a non-profit organization), which comprise the statement of financial position as of DECEMBER 31, 2022, and the related statements of activities and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. I have not audited the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.



Calvin K. Tang, CPA, CGMA

Iowa Colony, Texas
April 25, 2023

HOPE BEYOND BRIDGES

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

(with comparative amounts at December 31, 2021)

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets		
Cash	\$ 33,130	\$ 76,324
Prepaid Expenses	6	1,136
Total Current Assets	<u>33,136</u>	<u>77,460</u>
Long-term Assets		
Properties, Plants, and Equipment (net)	1,843	1,327
Total Long-term Assets	<u>1,843</u>	<u>1,327</u>
Total Assets	<u>\$ 34,979</u>	<u>\$ 78,787</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Account Payables	\$ 3,889	\$ 5,314
Other Payables	88	53
Total Current Liabilities	<u>3,977</u>	<u>5,367</u>
Total Liabilities	<u>3,977</u>	<u>5,367</u>
Net Assets		
Without Donor Restrictions	15,202	72,620
With Donor Restrictions	15,800	800
Total Net Assets	<u>31,002</u>	<u>73,420</u>
Total Liabilities and Net Assets	<u>\$ 34,979</u>	<u>\$ 78,787</u>

HOPE BEYOND BRIDGES

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

(with summarized totals for year ended December 31, 2021)

	2022			2021 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue				
Contributions & Donations	\$ 53,683	\$ 15,000	\$ 68,683	\$ 103,155
Events	60,314	-	60,314	43,989
Interest Income	2	-	2	2
Others	-	-	-	37,123
Total Revenue	<u>113,999</u>	<u>15,000</u>	<u>128,999</u>	<u>184,269</u>
Expenses				
Events	27,686	-	27,686	6,643
Programs	115,518	-	115,518	103,737
Fundraising	14,139	-	14,139	17,113
Administrative Expense	14,074	-	14,074	11,230
Total Expense	<u>171,417</u>	<u>-</u>	<u>171,417</u>	<u>138,723</u>
Change in Net Assets	<u>\$ (57,418)</u>	<u>\$ 15,000</u>	<u>\$ (42,418)</u>	<u>\$ 45,546</u>

HOPE BEYOND BRIDGES

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022
(with summarized totals for year ended December 31, 2021)

	2022							2021	
	Program Services				Support Services				
	Hope Recovery	Hygiene Kits	Homeless Ministries	Total	Management and General	Fundraising	Total		Total Expenses
Payroll	\$ -	\$ -	\$ 72,506	\$ 72,506	\$ 4,028	\$ 4,028	\$ 8,056	\$ 80,562	\$ 80,000
Employee Benefit	-	-	-	-	6,906	-	6,906	6,906	6,617
Vehicle Maintenance	-	-	4,156	4,156	-	-	-	4,156	2,322
Travel Expenses	-	-	4,032	4,032	-	-	-	4,032	3,172
Depreciation	-	-	-	-	9	-	9	9	-
Bank Fee	-	-	-	-	-	1,503	1,503	1,503	1,667
Charitable Contributions	-	-	1,384	1,384	-	-	-	1,384	1,138
Branding & Communication	-	-	30	30	75	7,989	8,064	8,094	9,524
Office Equipment	-	-	-	-	-	200	200	200	200
Professional Fees	-	-	5,000	5,000	1,962	-	1,962	6,962	1,543
Dues & Subscriptions	129	-	993	1,122	-	321	321	1,443	1,887
Event Expenses	-	-	-	-	-	27,686	27,686	27,686	6,643
Material and Supplies	66	5,213	9,616	14,895	-	-	-	14,895	11,268
Insurance	-	-	3,995	3,995	915	-	915	4,910	5,758
Meals & Entertainment	-	-	875	875	179	98	277	1,152	1,063
Office Supplies	-	-	1,591	1,591	-	-	-	1,591	1,200
Postage and Mailing Service	-	-	-	-	-	-	-	-	138
Telephone	-	-	-	-	-	-	-	-	129
Professional Development	-	-	649	649	-	-	-	649	110
Rent	-	-	5,252	5,252	-	-	-	5,252	3,907
Miscellaneous	-	-	31	31	-	-	-	31	437
Total Expense	\$ 195	\$ 5,213	\$ 110,110	\$ 115,518	\$ 14,074	\$ 41,825	\$ 55,899	\$ 171,417	\$ 138,723

HOPE BEYOND BRIDGES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022 (with comparative amounts for year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (42,418)	\$ 45,546
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	9	-
Capital expenditure	(525)	-
Changes in operating assets and liabilities	(260)	(17,954)
Total Adjustments	<u>(776)</u>	<u>(17,954)</u>
Net Cash Provided (Used) by Operating Activities	<u>(43,194)</u>	<u>27,592</u>
Net Increase (Decrease) in Cash	(43,194)	27,592
Cash, Beginning of Year	76,324	48,732
Cash, End of Year	<u><u>\$ 33,130</u></u>	<u><u>\$ 76,324</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Hope Beyond Bridges (HBB), a 501(c)(3) non-profit organization, provides meals and hygiene items for the homeless in Houston, Texas. Its mission is to bring hope to the homeless through developing lasting relationships and sharing the grace and love of Jesus Christ. HBB is supported primarily through donor contributions and fundraising activities.

Summary of Significant Accounting Policies

1. Revenue Recognition

HBB records earned revenues on an accrual basis. In addition, it records as revenue the following types of contributions, when they are received unconditionally at their fair value: cash, promises to give, and gifts of other assets. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

HBB records contributions as with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions. When donor restriction expires, i.e., when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions.

2. Contributed Services

Many individuals volunteered their time and performed a variety of tasks that assist HBB in preparing meals and the distribution of meals and hygiene items. HBB received approximately 4,000 volunteer hours per year. However, in the year ending December 31, 2022, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

3. Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United State of America (“USGAAP”), which requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, 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. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS – continued

4. Property and Equipment

HBB capitalizes all property and equipment purchased or donated with a cost of \$2,000 or more. Property and equipment are depreciated using the straight-line method.

5. Net Asset Presentation

- a. Without donor restrictions – consist of resources available for the general support of HBB’s operations. They may be used at the discretion of HBB’s management and Board of Directors.
- b. With donor restrictions – consist of amounts restricted by donors to be used for specific activities or at some future dates, or which require HBB to maintain in perpetuity. When a donor restriction expires, i.e., when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions.

6. Changes in Accounting Principle

Revenue from Contracts with Customers

Effective January 1, 2020, HBB adopted Accounting Standards Update (ASU 2014-09), Revenue from Contracts with Customers, as amended. The guidance provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The new revenue recognition guidance does not apply to how contributions and pledges are recognized, as they are specifically scoped out of the new guidance. As a result, there is no change in the way HBB recognizes revenue.

Recognition of Contributions

Effective January 1, 2020, HBB adopted ASU 2018-08, clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. It provides a framework for evaluating whether grants and contributions should be accounted for as exchange transactions or as non-exchange transactions. This guidance has no impact on HBB’s financial statements.

7. Income Taxes

HBB is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

NOTES TO FINANCIAL STATEMENTS – continued

8. Investments

Under SFAS No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

9. Cash and Cash Equivalents

For purposes of the statements of cash flows, HBB considers all highly liquid investments available for current use with an initial maturity of three (3) months or less to be cash equivalents.

NOTE B – RESTRICTIONS ON NET ASSETS

Substantially all of the restrictions on net assets at the end of 2022 related to funds raised to provide meals and hygiene items to people displaced by Hurricane Harvey and the donations toward the purchase of a vehicle.

NOTE C – PROMISES TO GIVE

For the year ending December 31, 2022, HBB has no unconditional or conditional promises to give.

NOTE D – INVESTMENTS

For the year ending December 31, 2022, HBB has no investment.

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2022</u>
Vehicles	\$ 40,217
Furniture	1,625
Accumulated depreciation	<u>(39,999)</u>
	\$ 1,843

NOTES TO FINANCIAL STATEMENTS – continued

NOTE F – LONG TERM DEBT

For the year ending December 31, 2022, HBB has no long-term debt.