HARVESTERS INTERNATIONAL MINISTRIES, INC.

FINANCIAL STATEMENTS and INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Years Ended December 31, 2022 and 2021

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Independent Accountant's Review Report

To the Board of Directors
Harvesters International Ministries, Inc.
Hilton Head Island, SC

I have reviewed the accompanying financial statements of Harvesters International Ministries, Inc. (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 the Organization’s 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, I 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant’s Responsibility

My 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 me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Harvesters International Ministries, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my reviews.

Accountant’s Conclusion

Based on my review, I am not aware of any material modifications that should 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.

CPA

Alan M. Lane, CPA
Craig, CO
February 10, 2023

HARVESTERS INTERNATIONAL MINISTRIES, INC.
Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
ASSETS:		
Cash and Cash Equivalents	$ 1,257,114	$ 1,163,511
Investments		
Prepaids	1,857	2,323
Fixed Assets (Net)	2,946	3,488
Total Assets	$ 1,261,917	$ 1,169,322
LIABILITIES AND NET ASSETS:		
Liabilities		
Accounts Payable & Accrued Expenses	$ 17,560	$ 10,857
Total Liabilities	17,560	10,857
Net Assets:		
Without Donor Restrictions	191,206	218,743
With Donor Restrictions	1,053,151	939,722
Total Net Assets	1,244,357	1,158,465
Total Liabilities and Net Assets	$ 1,261,917	$ 1,169,322

See accompanying notes and independent accountant's review report

HARVESTERS INTERNATIONAL MINISTRIES, INC.
Statements of Activities
Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	$ 340,380	$ 1,996,726	$ 2,337,106	$ 290,394	$ 1,765,290	$ 2,055,684
Grant Revenue				19,332		19,332
Interest and Dividends	480		480	916		916
Other Income	877		877	3,685		3,685
Net Assets Released from						
Restrictions and Designations	1,883,297	(1,883,297)	0	1,635,630	(1,635,630)	0
Total Support and Revenue	2,225,034	113,429	2,338,463	1,949,957	129,660	2,079,617
EXPENSES:						
Program Services	2,028,956		2,028,956	1,764,378		1,764,378
Supporting Services						
General & Administrative	125,339		125,339	93,533		93,533
Fundraising	98,276		98,276	104,955		104,955
Total Supporting Services	223,615		223,615	198,488		198,488
Total Expenses	2,252,571		2,252,571	1,962,866		1,962,866
CHANGE IN NET ASSETS	(27,537)	113,429	85,892	(12,909)	129,660	116,751
BEGINNING NET ASSETS	218,743	939,722	1,158,465	231,652	810,062	1,041,714
ENDING NET ASSETS	$ 191,206	$ 1,053,151	$ 1,244,357	$ 218,743	$ 939,722	$ 1,158,465

See accompanying notes and independent accountant's review report

HARVESTERS INTERNATIONAL MINISTRIES, INC.
Statements of Functional Expenses
Years Ended December 31, 2022 and 2021

	2022				2021			
	Program	General & Administrative	Fundraising	Total	Program	General & Administrative	Fundraising	Total
EXPENSES								
Compensation and Taxes	$ 57,027	$ 62,047	$ 70,863	$ 189,937	$ 30,759	$ 58,360	$ 67,807	$ 156,926
Professional Services		1,590		1,590		3,500		3,500
Grants to Partners	1,908,152			1,908,152	1,707,402			1,707,402
Travel	55,096	10,395	1,320	66,811	23,283	1,385	1,725	26,393
Depreciation		542		542		542		542
Wire Transfer Fees	100	2,558		2,658	2,934			2,934
Telephone		3,609		3,609		4,602		4,602
Postage, Shipping, and Delivery	329	4,156	379	4,864		1,728	1,573	3,301
Printing & Copying	160	5,601	14,078	19,839		1,039	12,150	13,189
Office Supplies		1,522		1,522		1,804		1,804
Graphic Design			4,128	4,128			11,651	11,651
Website			212	212			10,049	10,049
Software Subscriptions		18,560		18,560		7,201		7,201
Credit Card Fees		9,595		9,595		8,520		8,520
Insurance		1,484		1,484		1,657		1,657
Memberships		1,500		1,500		1,455		1,455
Advertising			7,296	7,296				
Conferences and Meetings		2,180		2,180		263		263
Other	8,092			8,092		1,477		1,477
				0				0
Total Expenses	$ 2,028,956	$ 125,339	$ 98,276	$ 2,252,571	$ 1,764,378	$ 93,533	$ 104,955	$ 1,962,866

See accompanying notes and independent accountant's review report

HARVESTERS INTERNATIONAL MINISTRIES, INC.
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	December 31,			
		2022		2021
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in Net Assets	$	85,892	$	116,751
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:				
Depreciation		542		542
Decrease (Increase) in Current Assets		466		(1,684)
Increase (Decrease) in Payables and Accruals		6,703		(15,996)
NET CASH PROVIDED BY OPERATING ACTIVITIES		93,603		99,613
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of Fixed Assets				(2,493)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		0		(2,493)
NET CHANGE IN CASH AND CASH EQUIVALENTS		93,603		97,120
BEGINNING CASH AND CASH EQUIVALENTS		1,163,511		1,066,391
ENDING CASH AND CASH EQUIVALENTS	$	1,257,114	$	1,163,511

See accompanying notes and independent accountant's review report

HARVESTERS INTERNATIONAL MINISTRIES, INC.
Notes to the Financial Statements
December 31, 2022 and 2021

Note 1 - Organization and Summary of Significant Accounting Policies

Organization and Programs

Harvesters International Ministries, Inc. was formed in 2008 in the state of South Carolina, USA. Its mission is to participate in the Great Commission by assisting, supporting, and encouraging national missionary initiative at the local level. Goals are accomplished in partnership with ministries that are locally led and serving their own communities in Africa and Asia. With an intrinsic understanding of local language, culture, and customs, those ministries are best able to provide the day-to-day delivery of its Holistic approach to ministry that seeks to meet the spiritual needs of their community through church-planting and evangelism, and the physical needs through orphan care, water, education, and other relevant long-term efforts.

Harvesters' role includes equipping its partners through fund management, training, fundraising and advising. Likewise, it is a bridge of communication with donors regarding progress, opportunities and celebrations of success. Harvesters brings strategic accountability through project management, updates, financial reporting and regular visits to the field by staff.

The results are encouraging. Donors gain confidence that their support is being used in an effective, efficient way. Success is measured in lives that have been transformed by choosing to become followers of Jesus, communities experiencing a better quality of life as their physical needs are met, and ministry partners who are thriving in their spiritual and emotional well-being. Harvesters International Ministries partners with eleven indigenous ministries throughout East Africa and Asia.

Basis of Presentation

The financial statements have been prepared using the accrual basis of accounting. In addition, the financial statement presentation follows the requirements of the *Financial Accounting Standards Board Accounting Standards Codification (FASB ASC),* which requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Net Assets Without Donor Restrictions

Net assets without donor restrictions are neither perpetually nor temporarily restricted by donor-imposed stipulations and include revenue from fees, certain investment Income, and all gifts, grants, and contributions that are free of donor restrictions. These amounts are currently available at the discretion of the Organization's Board for use in its operations.

Net Assets with Donor Restrictions

Net assets with donor restrictions account for unspent contributions that are restricted by the donor to use for specific purposes or during specific time periods.

Revenues and Expenses

Contributions without donor restrictions are recognized as income when cash or ownership of donated assets is unconditionally promised to the Organization. Contributions with donor restrictions are recognized as income in the statement of activities when cash or the ownership of assets is unconditionally promised to the Organization, and they are subsequently released to net assets without donor restrictions when conditions have occurred in satisfaction of those designations. Other income is recognized when earned. Expenses are recognized when incurred in accordance with the accrual basis of accounting.

Cash

Highly liquid investments with initial maturities of three months or less are considered to be cash equivalents. The Organization's cash and cash equivalents are on deposit with major domestic financial institutions. Accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2022 and 2021, the FDIC insurance coverage for bank deposits is up to $250,000 per account holder. Cash equivalents, other securities, and limited amounts of cash held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to $500,000 of protection for each brokerage account with a limit of $250,000 for claims of uninvested cash balances. The SIPC insurance does not protect against market losses on investment.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost net of depreciation, which is computed using the straight-line method over the estimated useful service life of the assets. Additions and betterments of $1,000 or more are capitalized, while repairs and maintenance that do not improve or extend the useful lives of the respective assets are expensed currently.

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support increasing net assets without donor restrictions unless the donor has restricted the donated assets for a specific purpose or period of time. Assets with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization decreases net assets with donor restrictions and increases net assets without donor restrictions at that time (net assets released from restrictions).

Donated Other Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation.

Donated Services

No amounts have been reflected in the financial statements for donated services as the criteria for recognition has not been met under FASB ASC. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific ministry programs, campaign solicitations, and various committee assignments.

Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Allocated expenses

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

include salaries, payroll taxes & processing fees, certain office expenses, IT, and telecommunications. Those expenses were allocated based on management's estimate of time and effort. Nearly all expenses incurred in Africa were classified as program expenses, while certain other expenses that could be identified with a specific area were allocated directly.

Use of Estimates in Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that 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 may differ from the estimates.

Subsequent Events

Management has evaluated all subsequent events and transactions through February 10, 2023, the date the financial statements were available to be issued.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities. Investment return/(loss) is reported net in the statements of activities and consists of realized and unrealized gains and losses, less external and direct internal investment expenses. Interest and dividends and investment return are reflected in the statements of activities as income without donor restrictions or income with donor restrictions based upon the existence and nature of any donor restrictions. Interest and dividends and investment return that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the interest and dividends and investment return are recognized. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date. **Fair value** is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Harvesters International, Inc. groups assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value.

These levels are:

Level 1 Unadjusted quoted market prices for identical assets in active markets as of the measurement date.

Level 2 Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets
- Quoted prices for identical or similar assets in non-active markets
- Inputs other than quoted prices that are observable for the asset; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Unobservable inputs that cannot be corroborated by observable market data.

Note 2 - lncome Tax Status

The Organization is classified as a Section 501(c)(3) Organization under the Internal Revenue Code of 1986. However, income from certain activities not directly related to the Organization's tax exemption purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under section 170(b)(1)(A)(vi) and has been classified as a publicly supported organization. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that, more likely than not, would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) for disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any open tax periods.

Note 3 - Concentration of Risk

Financial instruments that potentially expose the Organization to concentrations of credit risk consist primarily of contributions receivable. The Organization does not recognize or record contributions receivable based on pledges received or any other basis. Contributions are generally recognized and recorded when the contribution is received. The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Organization invests with financial institutions of sound reputation and evaluates credit risk on an ongoing basis. The Organization has not experienced any losses in such accounts.

Note 4 - Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the Statement of Financial Position date, December 31, 2022 and 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the Statement of Financial Position date.

	December 31,	
Financial Assets	2022	2021
Cash and Cash Equivalents	$ 1,257,114	$ 1,163,511
Less: Assets Unavailable for General Expenditures		
Because of Donor-Imposed Restrictions	(1,053,151)	(939,722)
Financial Assets Available for General Expenditures	$ 203,963	$ 223,789

Note 5 - Fixed Assets

Expenditures for equipment are capitalized at cost. Donated assets are capitalized at their fair market value on the date of the gift if such value is readily ascertainable. Expenditures for repairs and maintenance are charged to expense. It is the Organization's policy to carry capitalized items at cost, with depreciation provided on a straight-line basis over the estimated useful lives of the assets. Fixed Assets at December 31, 2022 and 2021, are as follows:

	December 31,	
	2022	2021
Furniture and Equipment	$ 11,939	$ 11,939
Less: Accumulated Depreciation	(8,993)	(8,451)
Fixed Assets, Net	$ 2,946	$ 3,488

Note 6 – Leases

There were no operating or capital leases in effect during the year ended December 31, 2022 or 2021.