

MANY HANDS FOR HAITI

FINANCIAL STATEMENTS

Year Ended December 31, 2021



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MANY HANDS FOR HAITI

**OFFICIALS**

January 1, 2021 – December 31, 2021

<b><u>Name</u></b>	<b><u>Board of Directors</u></b>	<b><u>Term Expires</u></b>
Darin Wogen	President	2021
Eric Recker	Vice President	2022
Dave Vanderhoff	Treasurer	2021
Jennifer Browne	Secretary	2021
Greg Ebeling	Board Member	2021
Tim Van Maanen	Board Member	2022

**Officials**

Tim Brand	Executive Leader	Indefinite
Marcena Schwab	Financial Manager	Indefinite





## Independent Auditors' Report

To the Board of Directors

Many Hands for Haiti

Pella, Iowa

We have audited the accompanying financial statements of Many Hands for Haiti (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows to the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statement**

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; 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain and audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for Qualified Opinion**

As discussed in note 2 to the financial statements, Many Hands for Haiti has not consolidated Many Hands Thrift, LLC., Many Hands Thrift Grimes, LLC., Many Hands Thrift West Des Moines, LLC, Many Hands Thrift NDM, LLC., or Beaucoup de Mains pour Haiti. In our opinion, these entities should be consolidated to conform with accounting principles generally accepted in the United States of America. The effect of not consolidating these

entities has not been determined.

### **Qualified Opinion**

In our opinion, except for the effects of not consolidating certain entities as discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Many Hands for Haiti as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Van Maanen, Sietstra, Meyer & Nikkel PC*

VanMaanen, Sietstra, Meyer, & Nikkel, P.C.

December 28, 2022



**Many Hands for Haiti**  
**Statement of Financial Position**  
**Year ended December 31, 2021**

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ASSETS

Current assets:

Cash and cash equivalents	\$ 1,231,079
Prepaid expense	2,500
Due from related parties	313,125

TOTAL CURRENT ASSETS	<u>1,546,704</u>
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Property and equipment:

Equipment	69,025
Accumulated depreciation	<u>(22,870)</u>

NET PROPERTY AND EQUIPMENT	<u>46,155</u>
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Other Noncurrent Assets

Investment in Many Hands Thrift, LLC	5,000
Investment in Many Hands Thrift Grimes, LLC	5,000
Investment in Many Hands Thrift West Des Moines, LLC	5,000
Investment in Many Hands Thrift Merle Hay, LLC	5,000

TOTAL OTHER NONCURRENT ASSETS	<u>20,000</u>
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TOTAL ASSETS	<u>\$ 1,612,859</u>
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LIABILITIES AND NET ASSETS

LIABILITIES

Current liabilities:

Accounts payable	\$ 11,183
Accrued payroll tax	32,320
Accrued deductions	440
Accrued interest	5,667

TOTAL CURRENT LIABILITIES	<u>49,610</u>
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Long-term liabilities:

Notes payable, net of current portion	150,000
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TOTAL LONG-TERM LIABILITIES	<u>150,000</u>
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TOTAL LIABILITIES	<u>199,610</u>
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NET ASSETS

Without donor restrictions	1,065,892
With donor restrictions	<u>347,357</u>

TOTAL NET ASSETS	<u>1,413,249</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,612,859</u>
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See notes to financial statements.

**Many Hands for Haiti**  
**Statement of Activities**  
**Year ended December 31, 2021**

	Without donor restrictions	With donor restrictions	Total
<b>OPERATING ACTIVITIES:</b>			
Operating support and revenue:			
Contributions:			
Contributions - cash	\$ 1,180,530	999,435	2,179,965
In-kind donations	241,560	102,325	343,885
Total contributions	<u>1,422,090</u>	<u>1,101,760</u>	<u>2,523,850</u>
Revenue:			
Management fee income	123,084	-	123,084
Mission trips	8,915	114,887	123,802
Other income	5,876	640	6,516
Grants	10,000	-	10,000
Interest income	11,308	967	12,275
Net assets released from restrictions	1,300,380	(1,300,380)	-
Total revenue	<u>1,459,563</u>	<u>(1,183,886)</u>	<u>275,677</u>
TOTAL OPERATING SUPPORT AND REVENUE	<u>2,881,653</u>	<u>(82,126)</u>	<u>2,799,527</u>
Operating expenditures:			
Program services:			
Agriculture	434,795	-	434,795
Education	321,884	-	321,884
Economic	75,358	-	75,358
Medical	91,751	-	91,751
Safe homes	83,923	-	83,923
Short term trips	202,571	-	202,571
Spiritual	118,200	-	118,200
Campus construction	229,544	-	229,544
Many Hands Thrift Grimes, LLC	137,261	-	137,261
Supporting services:			
Management and general	537,846	-	537,846
Fundraising	73,381	-	73,381
TOTAL OPERATING EXPENDITURES	<u>2,306,514</u>	<u>-</u>	<u>2,306,514</u>
CHANGE IN NET ASSETS	<u>575,139</u>	<u>(82,126)</u>	<u>493,013</u>
NET ASSETS AT BEGINNING OF YEAR	<u>490,753</u>	<u>429,483</u>	<u>920,236</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,065,892</u>	<u>347,357</u>	<u>1,413,249</u>

See notes to financial statements.

Many Hands for Haiti  
Statement of Functional Expenses  
Year ended December 31, 2021

	Program Services									Supporting Services		Total	
	Agriculture & Feeding	Education	Economic Development	Medical Assistance	Safe Homes	Short Term Trips	Spiritual Development	Campus Construction	Many Hands Thrift	Total Program Services	Management & General		Fundraising
Compensation and related expenses:													
Compensation	\$ 31,304	72,160	11,240	24,655	11,240	57,778	31,363	11,240	109,880	360,860	220,141	30,325	611,326
Payroll taxes	2,488	5,690	854	1,883	854	3,426	2,397	854	8,406	26,852	17,641	2,274	46,767
Advertising	-	-	-	-	-	-	-	-	-	-	3,752	-	3,752
Appreciation	-	-	-	-	-	-	150	-	-	150	3,600	-	3,750
Audio Video Equipment	-	-	-	-	-	-	-	-	-	-	6,945	-	6,945
Bank & credit card fees	-	-	-	27	-	-	-	-	-	27	9,824	2,334	12,185
Communications	-	-	-	-	-	413	-	-	-	413	6,768	-	7,181
Depreciation	-	-	-	-	-	-	-	-	-	-	9,125	-	9,125
Dues & subscriptions	-	299	-	-	-	-	64	-	-	363	379	-	742
Hosted conference expense	-	-	-	-	-	-	11,437	-	-	11,437	-	-	11,437
Grants to other organizations	127,581	199,032	60,755	36,345	69,103	72,608	45,134	62,299	250	673,107	77,324	-	750,431
Insurance	377	377	-	-	-	-	-	-	-	754	48,499	-	49,253
Interest	-	-	-	-	-	-	-	-	967	967	4,228	-	5,195
Meals	-	-	-	-	-	66	75	-	690	831	2,595	197	3,623
Office expense	43	-	-	-	-	-	-	-	-	43	19,891	-	19,934
Postage	214	737	-	2,950	-	91	-	-	-	3,992	14,006	-	17,998
Printing	-	357	-	-	-	919	-	-	-	1,276	7,945	1,205	10,426
Professional fees	30,000	30,000	-	1,065	-	5,194	20,000	-	-	86,259	11,200	14,500	111,959
Program supplies	236,220	5,677	235	22,100	-	7,480	3,542	152,877	12,413	440,544	26,234	3,375	470,153
Rent	-	-	-	-	-	-	-	-	-	-	15,272	17,876	33,148
Repairs	-	-	-	-	-	-	-	-	-	-	2,605	-	2,605
Telephone	120	180	-	-	-	-	-	-	-	300	9,018	-	9,318
Travel	6,448	7,375	2,274	2,726	2,726	9,529	4,038	2,274	4,655	42,045	18,199	1,295	61,539
Trip expenses	-	-	-	-	-	45,067	-	-	-	45,067	-	-	45,067
Utilities	-	-	-	-	-	-	-	-	-	-	2,655	-	2,655
	\$ 434,795	321,884	75,358	91,751	83,923	202,571	118,200	229,544	137,261	1,695,287	537,846	73,381	2,306,514

See notes to financial statements.

**Many Hands for Haiti**  
**Statement of Cash Flows**  
**Year ended December 31, 2021**

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CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 493,013
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	9,125
(Increase) decrease in operating assets:	
Prepaid expenses	7,250
Increase (decrease) in operating liabilities:	
Accounts payable	(7,071)
Accrued payroll tax	13,004
Accrued deductions	201
Accrued interest	(2,080)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>513,442</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of equipment	(42,694)
Loans to related parties	(122,964)
Investment in Many Hands Thrift Merle Hay, LLC	(5,000)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(170,658)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from long-term debt	-
Repayments of long-term debt	(53,589)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(53,589)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	289,195
BEGINNING CASH AND CASH EQUIVALENTS	<u>941,884</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 1,231,079</u>

See notes to financial statements.

MANY HANDS FOR HAITI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Many Hands for Haiti (the Organization) is a not-for-profit organization where people transform together, through the presence of Jesus Christ, to be called people, living with purpose, unleashing God-given talents and resources to bring Good News in a broken world. The organization's main Haiti programs are Agriculture & Feeding, Education, Economic Development, Medical Assistance, Safe Homes, Short Term Missions Trips, and Spiritual Development.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of financial position and cash flows, the Organization considers all demand accounts, money market funds, and investments with a maturity of three months or less at the time of purchase that are not held by investment custodians to be cash equivalents.

Method of Accounting

Assets, liabilities, income and expenses are reported using the accrual basis of accounting, whereby income is recorded when earned and expenses are recorded when incurred.

Financial Statement Presentation

Net assets and revenues, expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

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 may be met by actions of the Organization and/ or the passage of time.

MANY HANDS FOR HAITI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021

Property and Equipment

Property and equipment purchased by the Organization are carried at cost. Donated property and equipment are recorded at estimated fair value at the date of donation. Property and equipment is capitalized if it exceeds \$500 and has a useful life of more than one year. Expenditures for maintenance and repairs are charged as an expense as incurred. Additions and betterments are capitalized. The cost and related accumulated depreciation of property and equipment sold or otherwise disposed of are removed from the accounts and any gain or loss is reflected in the current year's activities. There was no donated property and equipment for the year ended December 31, 2021.

The Organization follows the straight-line method of depreciation utilizing the following lives:

Class	Years
Furniture and equipment	5-10

Recognition of Revenue from Contributions and Grants

Contributions and grants are recognized when awarded as net assets without donor restrictions, or as net assets with donor restrictions. Annual campaign contributions are generally without restriction and are used in the related campaign year unless specifically restricted by the donor. The value of in-kind donations are recorded at an estimated fair market value, as determined by management, at the time of receipt. When a restriction expires through accomplishment of purpose or passage of time, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Functional Expense Allocations

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited. The executive director's salary has been allocated fifty percent to management and general, twenty-five percent to fundraising, and the remaining twenty-five percent is split evenly between the programs.

General and Administrative

Management and general expenses represent amounts incurred in the day-to-day operations of the Organization.

Fundraising

Fundraising expenses represent amounts incurred in raising additional funds for the Organization.

MANY HANDS FOR HAITI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021

Income Taxes

The Organization, a not-for-profit organization, is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. In addition, the organization has been classified by the Internal Revenue Service as not being a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Because tax matters are subject to some degree of uncertainty there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties and interest as a result of such challenge. The Organization is subject to routine audits by taxing jurisdictions; there are currently no audits for any tax periods in progress.

Subsequent Events

Management has evaluated all subsequent events and transactions through December 28, 2022, the date the consolidated financial statements were available to be issued. No subsequent events require recognition in the consolidated financial statements or disclosures by the Organization.

Note 2. Unconsolidated Subsidiaries

The Organization has four subsidiaries which have not been consolidated. Following is a description of the subsidiaries:

Many Hands Thrift, LLC- A wholly owned subsidiary which operates a thrift store in Spencer, Iowa providing high-quality, second-hand goods at a low cost for those in need. The Organization provides various management services to Many Hands Thrift, LLC for which they receive a management fee. The Organization has a \$5,000 investment in Many Hands Thrift, LLC, which is valued at original cost.

Many Hands Thrift Grimes, LLC- A wholly owned subsidiary which operates a thrift store in Grimes, Iowa providing high-quality, second-hand goods at a low cost for those in need. The Organization provides various management services to Many Hands Thrift Grimes, LLC, for which they receive a management fee. The Organization has a \$5,000 investment in Many Hands Thrift Grimes, LLC, which is valued at original cost.

Many Hands Thrift West Des Moines, LLC- A wholly owned subsidiary which operates a thrift store in West Des Moines, Iowa providing high-quality, second-hand goods at a low cost for those in need. The Organization provides various management services to Many Hands Thrift West Des Moines, LLC for which they receive a management fee. The Organization has a \$5,000 investment in Many Hands Thrift West Des Moines, LLC, which is valued at original cost.

Many Hands Thrift NDM, LLC- A wholly owned subsidiary which operates a thrift store in Des Moines, Iowa providing high-quality, second-hand goods at a low cost for those in need. The Organization provides various management services to Many Hands Thrift NDM, LLC for which they receive a management fee. The Organization has a \$5,000 investment in Many Hands Thrift NDM, LLC, which is valued at original cost.

Beaucoup de Mains pour Haiti- A separate legal entity in Haiti which began operations in 2015 under the control of the Organization's board. The Organization makes periodic grants to Beaucoup de Mains pour Haiti to carry out the in-country work in Haiti. During 2021, grants to Beaucoup de Mains

MANY HANDS FOR HAITI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021

pour Haiti totaled approximately \$748,771.

Note 3. Net Assets with Donor Restrictions

At December 31,2021, net assets with donor restrictions were restricted for the following purposes:

Agriculture and feeding	\$38,243
Education	161,271
Economic development	2,689
Medical assistance	4,061
Construction	140,937
Spiritual Development	156
	<u>\$347,357</u>

During the year ended December 31, 2021, net assets were released from donor restrictions due to satisfaction of program restrictions as follows:

Agriculture and feeding	\$449,299
Education	336,388
Economic Development	89,862
Medical assistance	106,255
Short term trips	156,242
Spiritual Development	132,704
Construction	29,630
	<u>\$1,300,380</u>

NOTE 4. Due From Related Parties

The Organization has paid certain costs on behalf of four of its wholly owned subsidiaries, Many Hands Thrift, LLC, Many Hands Thrift Grimes, LLC, Many Hands Thrift West Des Moines, LLC, and Many Hands Thrift NDM, LLC which are expected to be repaid in the coming year. Amounts due from each subsidiary as of December 31,2021 were \$6,616, \$11,309, \$4,377 and \$290,823 respectively.

NOTE 5. Notes Payable

In June 2020, the Organization entered into a note agreement with the Small Business Administration. The note requires the organization to make monthly payments of \$641 beginning in June of 2022 continuing through May of 2050, including interest at 2.75%. At December 31, 2021, the balance of the loan was \$150,000.

Future annual maturities of the notes payable are as follows:

2022	\$ 3,416
2023	3,543
2024	3,662
2025	3,764
2026	3,869
Thereafter	<u>131,746</u>
	\$150,000



MANY HANDS FOR HAITI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021

NOTE 7. Risk Management

Many Hands for Haiti is exposed to various risks of loss related to torts, theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Organization assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 8. Consideration of Credit Risk

At various times throughout the year, the Organization holds cash deposits which may exceed the federally insured limit of \$250,000 per institution. The Organization has not experienced any losses on such deposits and believes it is not exposed to any significant credit risk.