

MANY HANDS FOR HAITI

FINANCIAL STATEMENTS

Year Ended December 31, 2022

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MANY HANDS FOR HAITI

OFFICIALS

January 1, 2022 – December 31, 2022

<u>Name</u>	<u>Board of Directors</u>	<u>Term Expires</u>
Darin Wogen	President	2022
Eric Recker	Vice President	2022
Dave Vanderhoff	Treasurer	2022
Jennifer Browne	Secretary	2022
Greg Ebeling	Board Member	2022
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, 2022, 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 for Haiti 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, 2022, 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.

February 5, 2024

Many Hands for Haiti
Statement of Financial Position
Year ended December 31, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$ 731,633
Prepaid expense	4,971
Due from related parties	456,840
TOTAL CURRENT ASSETS	<u>1,193,444</u>

Property and equipment:

Equipment	123,409
Accumulated depreciation	(36,105)
NET PROPERTY AND EQUIPMENT	<u>87,304</u>

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>

TOTAL ASSETS \$ 1,300,747

LIABILITIES AND NET ASSETS

LIABILITIES

Current liabilities:

Accounts payable	\$ 69,892
Accrued payroll tax	-
Accrued deductions	323
Accrued interest	8,985
TOTAL CURRENT LIABILITIES	<u>79,199</u>

Long-term liabilities:

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

TOTAL LIABILITIES 229,199

NET ASSETS

Without donor restrictions	957,095
With donor restrictions	114,453

TOTAL NET ASSETS 1,071,548

TOTAL LIABILITIES AND NET ASSETS \$ 1,300,747

See notes to financial statements.

Many Hands for Haiti
Statement of Activities
Year ended December 31, 2022

	Without donor restrictions	With donor restrictions	Total
OPERATING ACTIVITIES:			
Operating support and revenue:			
Contributions:			
Contributions - cash	\$ 1,809,970	-	1,809,970
In-kind donations	318,645	-	318,645
Total contributions	<u>2,128,615</u>	<u>-</u>	<u>2,128,615</u>
Revenue:			
Management fee income	600,492	-	600,492
Mission trips	114,496	-	114,496
Other income	6,875	-	6,875
Grants	-	-	-
Interest income	(58,713)	-	(58,713)
Net assets released from restrictions	232,904	(232,904)	-
Total revenue	<u>896,054</u>	<u>(232,904)</u>	<u>663,150</u>
TOTAL OPERATING SUPPORT AND REVENUE	<u>3,024,669</u>	<u>(232,904)</u>	<u>2,791,765</u>
Operating expenditures:			
Program services:			
Agriculture	492,469	-	492,469
Education	560,183	-	560,183
Economic	102,001	-	102,001
Medical	228,676	-	228,676
Safe homes	169,643	-	169,643
Short term trips	317,608	-	317,608
Spiritual	188,201	-	188,201
Campus construction	277,858	-	277,858
Many Hands Thrift Grimes, LLC	130,343	-	130,343
Supporting services:			
Management and general	620,327	-	620,327
Fundraising	46,157	-	46,157
TOTAL OPERATING EXPENDITURES	<u>3,133,466</u>	<u>-</u>	<u>3,133,466</u>
CHANGE IN NET ASSETS	<u>(108,797)</u>	<u>(232,904)</u>	<u>(341,701)</u>
NET ASSETS AT BEGINNING OF YEAR	<u>1,065,892</u>	<u>347,357</u>	<u>1,413,249</u>
NET ASSETS AT END OF YEAR	<u>\$ 957,095</u>	<u>114,453</u>	<u>1,071,548</u>

See notes to financial statements.

Many Hands for Haiti
Statement of Functional Expenses
Year ended December 31, 2022

	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	43,176	92,738	42,176	101,371	43,177	76,594	61,839	42,176	110,820	614,067	378,377	32,316	1,024,761
Payroll taxes	3,126	6,993	3,047	7,553	3,126	5,680	4,606	3,046	8,305	45,483	30,400	2,419	78,302
Advertising	-	-	-	-	-	-	-	-	-	-	6,021	-	6,021
Appreciation	-	-	-	-	-	-	-	-	-	-	6,167	-	6,167
Audio Video Equipment	-	-	-	-	-	-	-	-	-	-	1,383	-	1,383
Bank & credit card fees	-	-	-	-	-	-	-	-	-	-	14,798	-	14,798
Communications	-	6,050	-	-	-	848	398	-	-	7,296	15,769	-	23,065
Depreciation	-	-	-	-	-	-	-	-	-	-	13,419	-	13,419
Dues & subscriptions	-	32	-	-	-	227	799	-	-	1,058	320	-	1,378
Hosted conference expense	-	-	-	-	-	660	-	-	-	660	6,668	-	7,329
Grants to other organizations	125,603	341,940	30,442	73,536	96,191	108,867	79,396	30,442	-	886,417	-	-	886,417
Insurance	21,790	30,441	11,218	16,680	11,853	15,690	18,849	61,782	11,218	199,520	11,218	-	210,738
Interest	-	-	-	-	-	-	-	-	-	-	3,959	-	3,959
Meals	-	-	-	-	-	778	-	-	-	778	6,470	-	7,248
Office expense	-	-	-	-	-	-	-	-	-	-	10,785	-	10,785
Postage	1,419	3,082	-	552	-	6	336	-	-	5,393	15,128	290	20,811
Printing	-	1,302	-	-	-	2,109	-	-	-	3,410	13,805	1,189	18,404
Professional fees	30,056	31,136	-	-	-	254	56	-	-	61,502	37,725	-	99,227
Program supplies	255,881	24,741	8,711	21,487	8,783	10,623	9,760	134,005	-	473,990	-	5,934	479,924
Rent	-	-	-	-	-	-	-	-	-	-	41,487	4,009	45,496
Repairs	-	-	-	-	-	-	-	-	-	-	1,777	-	1,777
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	11,418	21,730	6,407	7,497	6,514	13,778	12,162	6,407	-	85,912	-	-	85,912
Trip expenses	-	-	-	-	-	81,495	-	-	-	81,495	1,971	-	83,466
Utilities	-	-	-	-	-	-	-	-	-	-	2,682	-	2,682
	\$ 492,469	560,183	102,001	228,676	169,643	317,608	188,201	277,858	130,343	2,466,983	620,327	46,157	3,133,466

See notes to financial statements.

Many Hands for Haiti
Statement of Cash Flows
Year ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (341,701)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	13,419
(Increase) decrease in operating assets:	
Prepaid expenses	(2,471)
Increase (decrease) in operating liabilities:	
Accounts payable	58,709
Accrued payroll tax	(32,320)
Accrued deductions	(117)
Accrued interest	3,318
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(301,163)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of equipment	(54,384)
Loans to related parties	(143,715)
Investment in Many Hands Thrift Merle Hay, LLC	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(198,098)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from long-term debt	-
Repayments of long-term debt	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(499,261)
BEGINNING CASH AND CASH EQUIVALENTS	<u>1,231,079</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 731,818</u>

See notes to financial statements.

MANY HANDS FOR HAITI
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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, 2022

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, 2022.

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, 2022

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 February 5, 2024, 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.

MANY HANDS FOR HAITI
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 3. Net Assets with Donor Restrictions

During the year ended December 31, 2022, net assets were released from donor restrictions due to satisfaction of program restrictions as follows:

Economic Development	2,317
Construction	112,136
	\$114,453

During the year ended December 31, 2022, net assets were released from donor restrictions due to satisfaction of program restrictions as follows:

Agriculture and feeding	\$ 38,243
Education	161,271
Economic Development	372
Medical assistance	4,061
Spiritual Development	156
Construction	28,801
	\$232,904

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, 2022 were \$34,567, \$181, \$4,033 and \$381,052 respectively.

NOTE 5. Notes Payable

In June 2021, 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 2023 continuing through May of 2051, including interest at 2.75%. At December 31, 2022, the balance of the loan was \$150,000.

Future annual maturities of the notes payable are as follows:

2023	\$ 3,416
2024	3,543
2025	3,662
2026	3,764
2027	3,869
Thereafter	131,746
	\$150,000

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.

MANY HANDS FOR HAITI
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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.