

**Hope for Haiti's Children Ministries, Inc.**

Financial Statements  
December 31, 2022 and 2021  
with Independent Auditor's Report

Hope for Haiti's Children Ministries, Inc.  
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# Anderson-Kurtz

Financial Services LLC

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Hope for Haiti's Children Ministries, Inc.  
Cincinnati, Ohio

### **Opinion**

I have audited the accompanying financial statements of Hope for Haiti's Children Ministries, Inc. (an Ohio nonprofit corporation, the "Organization"), which comprise the statement of financial position as of December 31, 2022 and 2021, and the related statements of activities, statements of functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hope for Haiti's Children Ministries, Inc. as of December 31, 2022 and 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.

### **Basis for Opinion**

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Organization and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Responsibilities of Management for the Financial Statements**

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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

#### **Report on Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Program Expenses (page 19) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Anderson-Kurtz Financial Services LLC*

Anderson-Kurtz Financial Services LLC  
Cincinnati, Ohio  
August 14, 2023

Hope for Haiti's Children Ministries, Inc.  
Statements of Financial Position  
December 31, 2022 and 2021

	2022	2021
Assets:		
Current assets:		
Cash and cash equivalents	\$ 1,496,693	1,186,346
Prepaid expenses	14,889	20,736
Accounts receivable	-	676
Pledges receivable, current portion	1,292,882	1,293,897
	2,804,464	2,501,655
Non-current assets:		
Pledges receivable, less current portion	3,211,750	3,575,807
Investments	918,729	969,492
Endowment	153,734	76,995
	4,284,213	4,622,294
Total assets	\$ 7,088,677	7,123,949
Liabilities and net assets:		
Current liabilities:		
Accounts payable	\$ 57,947	54,559
Salaries, benefits and payroll taxes payable	49,998	40,451
	107,945	95,010
Net assets:		
Net assets without donor restrictions	1,569,433	1,328,169
Net assets with donor restrictions	5,411,299	5,700,770
	6,980,732	7,028,939
Total liabilities and net assets	\$ 7,088,677	7,123,949

See accompanying notes and independent auditor's report.

Hope for Haiti's Children Ministries, Inc.  
Statement of Activities  
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and public support:			
Contributions of cash and other financial assets	\$ 1,118,277	2,523,810	\$ 3,642,087
Contributions of nonfinancial assets	9,837	189,785	199,622
Special events revenue	142,504	118,040	260,544
Assets released from restrictions	3,121,106	(3,121,106)	-
Total revenue and public support	4,391,724	(289,471)	4,102,253
Expenses			
Program expenses	3,504,218	-	3,504,218
Management and general	279,432	-	279,432
Fundraising	282,955	-	282,955
Total expenses	4,066,605	-	4,066,605
Investment income, net	(83,855)	-	(83,855)
Change in net assets	241,264	(289,471)	(48,207)
Net assets at beginning of year	1,328,169	5,700,770	7,028,939
Net assets at end of year	\$ 1,569,433	\$ 5,411,299	\$ 6,980,732

See accompanying notes and independent auditor's report.

Hope for Haiti's Children Ministries, Inc.  
Statement of Activities  
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and public support:			
Contributions of cash and other financial assets	\$ 1,534,384	2,502,304	\$ 4,036,688
Contributions of nonfinancial assets	8,014	234,067	242,081
Special events revenue	160,391	12,669	173,060
Government grants	10,000	-	10,000
Assets released from restrictions	2,674,676	(2,674,676)	-
Total revenue and public support	4,387,465	74,364	4,461,829
Expenses			
Program expenses	3,292,512	-	3,292,512
Management and general	237,656	-	237,656
Fundraising	198,810	-	198,810
Total expenses	3,728,978	-	3,728,978
Investment income, net	(4,402)	-	(4,402)
Change in net assets	654,085	74,364	728,449
Net assets at beginning of year	674,084	5,626,406	6,300,490
Net assets at end of year	\$ 1,328,169	\$ 5,700,770	\$ 7,028,939

See accompanying notes and independent auditor's report.

Hope for Haiti's Children Ministries, Inc.  
Statement of Functional Expenses  
Year Ended December 31, 2022

	<u>Program Services</u>	<u>General &amp; Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Wages and related expenses:				
Wages	\$ 405,876	102,616	165,633	\$ 674,125
Payroll taxes	29,098	8,929	11,365	49,392
Employee benefits	21,560	5,596	11,134	38,290
	<u>456,534</u>	<u>117,141</u>	<u>188,132</u>	<u>761,807</u>
Other expenses:				
Grants	2,500,212	-	-	2,500,212
NGO management fees	65,499	-	-	65,499
Travel	51,358	4,429	11,672	67,459
Supplies and materials	41,790	-	-	41,790
Food and water	91,426	-	-	91,426
Health care	14,785	-	-	14,785
Postage and shipping	39,604	2,690	6,163	48,457
Information technology	27,575	38,437	4,959	70,971
Printing	6,452	9,313	19,312	35,077
Bank fees	1,785	24,533	-	26,318
Conferences, education, training	-	7,361	(20)	7,341
Professional fees	-	17,300	4,579	21,879
Contract and consulting services	1,000	8,653	-	9,653
Telephone	8,187	2,447	-	10,634
Office supplies	4,154	5,617	2,166	11,937
Repairs and maintenance	-	-	-	-
Insurance	2,868	4,582	-	7,450
Other expenses	1,204	8,840	5,028	15,072
In-kind grants	189,785	9,837	-	199,622
Bad debt expense	-	18,252	-	18,252
Special events	-	-	40,964	40,964
	<u>3,047,684</u>	<u>162,291</u>	<u>94,823</u>	<u>3,304,798</u>
Total expenses	<u>\$ 3,504,218</u>	<u>279,432</u>	<u>282,955</u>	<u>\$ 4,066,605</u>

See accompanying notes and independent auditor's report.



Hope for Haiti's Children Ministries, Inc.  
Statement of Functional Expenses  
Year Ended December 31, 2021

	Program Services	General & Administrative	Fundraising	Total Expenses
Wages and related expenses:				
Wages	\$ 398,548	87,401	119,859	\$ 605,808
Payroll taxes	27,828	8,187	7,708	43,723
Employee benefits	15,884	2,319	7,172	25,375
	442,260	97,907	134,739	674,906
Other expenses:				
Grants	2,171,333	-	-	2,171,333
NGO management fees	87,804	-	-	87,804
Travel	29,183	1,660	12,512	43,355
Supplies and materials	123,723	-	-	123,723
Food and water	102,243	-	-	102,243
Health care	16,973	-	-	16,973
Postage and shipping	41,390	2,405	2,761	46,556
Information technology	8,023	25,833	1,979	35,835
Printing	4,340	3,900	18,734	26,974
Bank fees	1,529	23,515	-	25,044
Conferences, education, training	9,921	5,178	197	15,296
Professional fees	-	14,406	1,583	15,989
Contract and consulting services	-	34,200	-	34,200
Telephone	6,580	2,393	-	8,973
Office supplies	6,152	5,397	1,458	13,007
Repairs and maintenance	3,412	-	-	3,412
Insurance	2,836	3,269	-	6,105
Other expenses	743	3,497	3,382	7,622
In-kind expenses	234,067	-	8,014	242,081
Bad debt expense	-	14,096	-	14,096
Special events	-	-	13,451	13,451
	2,850,252	139,749	64,071	3,054,072
Total expenses	\$ 3,292,512	237,656	198,810	\$ 3,728,978

See accompanying notes and independent auditor's report.

Hope for Haiti's Children Ministries, Inc.  
Statements of Cash Flows  
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (48,207)	\$ 728,449
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Unrealized (gain) loss on investments	118,935	(4,582)
(Increase) decrease in		
Accounts receivable	676	(676)
Pledges receivable	365,072	(29,661)
Prepaid expense	5,847	(4,014)
Increase (decrease) in		
Accounts payable	3,388	29,389
Accrued expenses	9,547	3,153
Net cash provided by operating activities	455,258	722,058
Cash flows from investment activities:		
Purchase of investments	(1,563,675)	(1,320,221)
Proceedures from sale of investments	1,418,764	476,992
Net cash used by investing activities	(144,911)	(843,229)
Change in cash and cash equivalents	310,347	(121,171)
Cash and cash equivalents at beginning of year	1,186,346	1,307,517
Cash and cash equivalents at end of year	\$ 1,496,693	\$ 1,186,346

See accompanying notes and independent auditor's report.

## 1. ORGANIZATION AND NATURE OF ACTIVITIES

Hope for Haiti's Children Ministries, Inc., (the "Organization") is located in Cincinnati, Ohio and was organized in 1995. The Organization is a not-for-profit corporation with a mission to educate and care for the impoverished children of Haiti. The needs of the children are met through an education sponsorship program, health care services, orphan care and crisis relief efforts. The Organization is dependent upon contributions from the public and volunteers for its support.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- 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 Trustees.
- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions that are likely to 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. The Organization does not have donor restrictions that are perpetual in nature for the years ended December 31, 2022 and 2021.

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 statement of activities.

### Accounting Standard Update

The Organization implemented Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, for the year ended December 31, 2022. Contributed nonfinancial assets for the year ended December 31, 2021 are reflected in accordance with the new standard. Refer to Note 9.

### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Organization to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

### Cash and Cash Equivalents

The Organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

### Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents in bank accounts that, at times, may exceed federally insured limits. The Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts. As of December 31, 2022 and 2021, the Organization had cash balances of approximately \$703,965 and \$258,013, respectively, in excess of federally insured limits.

### Pledges Receivable

The Organization receives pledges for child sponsorships from various organizations and individuals. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. For the year ended December 31, 2022, the discount on those amounts are calculated at federal prime rate. The discount on those amounts was calculated at 1.25% above federal prime rate for the year ended December 31, 2021. Discount amortization is included in contribution revenue.

The allowance for uncollectible pledges is determined based on management's evaluation of the collectability of individual promises. For the years ended December 31, 2022 and 2021, management estimates an allowance of 3.5% of gross pledges receivable.

Individual pledges that are stopped or discontinued during the year due to non-payment are written off unless the donors indicate that payment is merely postponed.

### 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. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Investments consist of marketable bank-issued FDIC insured certificates of deposit which range from 6 months maturity up to 4 years maturity and high-quality equity securities traded on the New York, NASDAQ or American Stock exchanges.

### Endowment

During 2021, the Organization established an endowment fund at Thrivent Charitable Impact and Investing ("Thrivent") with gifts made to Thrivent by Hope for Haiti's Children and its supporters. The fund agreement between Thrivent and the Organization grants Thrivent variance power over the fund, which allows Thrivent's Board to modify any condition or restriction on the fund if, in the judgement of Thrivent's Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable purposes of Thrivent. The fund is reported at fair value in the statement of financial position.

Under the fund agreement and Thrivent's current distribution policy, the Organization may request distributions from the fund in any amount, so long as the distribution requests are submitted in writing no more often than once each calendar quarter.

### Fair Value Measurements

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 priorities 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). The Organization groups assets at fair value in three levels, based on the markets in which the assets and liabilities 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 or liabilities in active markets as of the measurement date.

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

- quoted prices for similar assets/liabilities 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 or liability; 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.

### Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of beneficial interest is received. 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. As of December 31, 2022 and 2021, the Organization did not have conditional promises to give.

Special events revenue is comprised of an exchange element based upon the direct benefits donors received and a contribution element for the difference. The exchange element, equal to the fair value of direct benefits to donors, is recognized when the special event takes place. The contribution element of special event revenue is recognized immediately, unless there is a right of return if the special event does not take place. All special event revenue was contribution revenue for the years ended December 31, 2022 and 2021.

#### Contributions of Nonfinancial Assets

Volunteers contribute significant amounts of time in furtherance of the Organization's mission; however, the financial statements do not reflect the value of these contributed services because they do not meet the criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair value of the services received. The Organization received \$0 of donated professional services for the years ended December 31, 2022 and 2021.

#### Income Taxes

The Organization is an Ohio nonprofit corporation and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report any unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

#### Functional Allocation of Expenses

The cost of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

In 2022, approximately 86% of the Organization's total expenses related to program services, 7% to management and general services, and 7% to fundraising activities.

In 2021, approximately 89% of the Organization's total expenses related to program services, 6% to management and general services, and 5% to fundraising activities.

Date of Management’s Review

The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through August 14, 2023, the date on which the financial statements were available to be issued.

**3. AVAILABILITY AND LIQUIDITY**

The following represents the Organization’s financial assets available for general expenditure at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,496,693	\$ 1,186,346
Investments	<u>918,729</u>	<u>969,492</u>
Subtotal, cash and investments	2,415,422	2,155,838
Pledges receivable due in one year	<u>1,292,882</u>	<u>1,293,897</u>
Financial assets available to meet general expenditures over next 12 months	<u>\$ 3,708,304</u>	<u>\$ 3,449,735</u>

Average monthly expenses to maintain the Organization’s operations in the US are approximately \$90,000. Normal, recurring monthly expenses to maintain operations in Haiti are approximately \$80,000. Cash flows fluctuate throughout the year due to the timing and nature of pledges receivable. Thus, it is the Organization’s goal to maintain available cash and investments sufficient to cover approximately six (6) months of combined US and Haiti operational expenses (approximately \$1,000,000).

Non-recurring expenses in Haiti are project oriented and special in nature. On a monthly basis, they average from \$60,000 to \$100,000. Cash flows from pledges receivable generally cover these expenses.

**4. PLEDGES RECEIVABLE**

Pledges receivable consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Less than one year	\$ 1,292,882	\$ 1,293,897
One to five years	3,360,045	3,448,593
Due beyond five years	<u>866,016</u>	<u>860,477</u>
	5,518,943	5,602,967
Less allowance for uncollectible pledges	(193,163)	(196,104)
Less discount to present value	<u>(821,148)</u>	<u>(537,159)</u>
	<u><u>\$ 4,504,632</u></u>	<u><u>\$ 4,869,704</u></u>

**5. INVESTMENTS**

Non-endowment investments at December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 473,718	\$ -	\$ -
Fixed Income	<u>445,011</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 918,729</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

  

	<u>2021</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 489,061	\$ -	\$ -
Fixed Income	<u>480,431</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 969,492</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



The endowment consisted of the following at December 31, 2022 and 2021:

	2022		
	Level 1	Level 2	Level 3
Thrivent Core Growth	\$ 31,675	\$ -	\$ -
Thrivent Mission Growth	59,942	-	-
Thrivent Women Invest	62,117	-	-
	<u>\$ 153,734</u>	<u>\$ -</u>	<u>\$ -</u>
	2021		
	Level 1	Level 2	Level 3
Thrivent Core Growth	\$ 15,349	\$ -	\$ -
Thrivent Mission Growth	30,797	-	-
Thrivent Women Invest	30,849	-	-
	<u>\$ 76,995</u>	<u>\$ -</u>	<u>\$ -</u>

The Organization recorded dividend and interest income of \$35,080 and \$14,286 for the years ended December 31, 2022 and 2021, respectively. The Organization recorded an unrealized loss of \$118,935 for the year ended December 31, 2022 and an unrealized loss of \$18,688 for the year ended December 31, 2021.

## 6. LINE OF CREDIT

The Organization has an unsecured line of credit of \$77,400 on credit cards as of December 31, 2022 and 2021. Available credit as of December 31, 2022 was approximately \$56,600. Available credit as of December 31, 2021 was approximately \$44,500.

**7. NET ASSETS**

Net assets with donor restrictions for the years ended December 31, were as follows:

	<u>2022</u>	<u>2021</u>
Passage of time - receivables	\$ 4,504,632	\$ 4,869,704
Purpose restrictions		
Child education and vocational	366,226	281,088
Orphanage operations	9,959	13,847
Mission trips	4,533	4,753
School lunch program	95,294	174,021
Thomazeau Hope Center	36,610	39,035
Thomazeau Camp Hope	-	608
Thomazeau Church	11,237	20,493
Crisis relief	-	48,272
Joy Box/Gift Ministry	22,196	8,963
General Haiti operations	100,623	119,728
School development	259,989	120,258
Subtotal - purpose restrictions	<u>906,667</u>	<u>831,066</u>
Total net assets with donor restrictions	<u>\$ 5,411,299</u>	<u>\$ 5,700,770</u>

Net assets without donor restrictions for the years ended December 31, were as follows:

	<u>2022</u>	<u>2021</u>
Undesignated	<u>\$ 1,569,433</u>	<u>\$ 1,328,169</u>

Net assets released from net assets with donor restrictions for the years ended December 31, were as follows:

	<u>2022</u>	<u>2021</u>
Satisfaction of time restrictions	\$ 1,293,897	\$ 1,258,469
Satisfaction of purpose restrictions	<u>1,827,209</u>	<u>1,416,207</u>
Total released from restrictions	<u>\$ 3,121,106</u>	<u>\$ 2,674,676</u>

**8. FUNDRAISING EVENTS**

Breakfast fundraising events contributed to the resources available for programs during the years ended December 31, 2022 and 2021 as follows:

	2022	2021
Special event revenue	\$ 260,544	\$ 173,060

**9. CONTRIBUTIONS OF NONFINANCIAL ASSETS**

The Organization recognized contributed nonfinancial assets within revenue, including contributed medical supplies, pharmaceuticals, clothing, food, software licenses, holiday gift boxes and office space. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Donated pharmaceuticals and medical supplies were restricted for use in the Child Education program. Food, clothing, and other supplies were restricted for use in the Child Education, Orphanage Operations and Crisis Relief programs. Donated Joy Boxes were restricted for use in the Gift Ministry program. Software licenses were donated for use in the Child Education Program. The contributed office space was used for management and general activities.

In valuing food, clothing, and medical supplies, the Organization estimated fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

In valuing contributed pharmaceuticals otherwise legally permissible for sale in the United States, the Organization used prices listed by discount pharmaceutical providers and national distributors of prehospital emergency medical supplies to approximate the least-cost retail prices in the United States (that is, the principal market).

At December 31, 2022 and 2021, the quantity and value of contributed nonfinancial assets with the programs for which they were utilized are as follows:

Hope for Haiti's Children Ministries, Inc.  
Notes to Financial Statements  
Years Ended December 31, 2022 and 2021

	2022		
	Quantity	Value	Program
Drugs and medical supplies	75,107	\$ 84,819	Child Education
Other supplies	1,167	14,345	Child Education/ Orphanage Ops
Joy gift boxes	3,452	86,300	Gift Ministry
Office space	2	9,838	Management & General
Software licenses	10	4,320	Child Education
	<u>79,738</u>	<u>\$ 199,622</u>	
	2021		
	Quantity	Value	Program
Drugs and medical supplies	1,124	\$ 26,862	Child Education
Food inventory	1,831	115,227	School Lunch
Other supplies	509	6,613	Child Education/Crisis Relief
Joy gift boxes	3,211	80,275	Gift Ministry
Office space	2	8,014	Management & General
Software licenses	22	5,090	Child Education
	<u>6,699</u>	<u>\$ 242,081</u>	

**10. SUBSEQUENT EVENTS**

Since December 31, 2022, the Federal Reserve has raised the U.S. prime interest rate four times, most recently on July 26, 2023 to 8.5%. Federal prime rate is used to calculate the present value of estimated future cash flows of pledges made to the Organization. The impact of future federal prime rate adjustments is unknown and cannot be reasonably estimated at the date the financial statements were available to be issued.

Hope for Haiti's Children Ministries, Inc.  
Schedules of Program Expenses  
Years Ended December 31, 2022 and 2021 (Total)

	Child Education	Program Services-U.S.	Orphanage Operations	Mission Trips	School Lunch Program	Thomazeau Hope Center	Thomazeau Camp Hope	Thomazeau Church	Crisis Relief	Joy Box/ Gift Ministry	Haiti Operations	School Development	2022 Total Program	2021 Total Program
<b>Wages and related expenses:</b>														
Wages	\$ -	\$ 405,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,876	\$ 398,548
Payroll taxes	-	29,098	-	-	-	-	-	-	-	-	-	-	29,098	27,828
Employee benefits	-	21,560	-	-	-	-	-	-	-	-	-	-	21,560	15,884
<b>Total compensation and related expenses</b>	-	456,534	-	-	-	-	-	-	-	-	-	-	456,534	442,260
<b>Other expenses:</b>														
Grants	942,472	19,578	215,922	-	174,668	32,118	29,925	18,770	50,562	7,237	178,670	830,290	2,500,212	2,171,333
NGO management fees	-	-	-	-	-	-	0	-	-	-	65,499	-	65,499	87,804
Travel	5,642	21,261	-	221	-	-	7,214	-	8,180	-	8,840	-	51,358	29,183
Supplies and materials	3,339	-	1,789	-	15,899	3,660	1,287	332	456	4,600	10,428	-	41,790	123,723
Food and water	-	-	-	-	88,926	-	-	-	2,500	-	-	-	91,426	102,243
Health care	13,683	-	-	-	-	-	-	-	788	-	314	-	14,785	16,973
Postage and shipping	783	8,006	90	-	-	-	1,300	-	328	11,114	17,983	-	39,604	41,390
Information technology	-	14,474	-	-	-	-	-	-	-	-	3,501	9,600	27,575	8,023
Printing	-	6,152	-	-	-	-	10	190	-	-	100	-	6,452	4,340
Bank fees	-	1,785	-	-	-	-	-	-	-	-	-	-	1,785	1,529
Conferences, education, training	-	-	-	-	-	-	-	-	-	-	-	-	-	9,921
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract and consulting services	1,000	-	-	-	-	-	-	-	-	-	-	-	1,000	-
Telephone	3,868	150	696	-	-	413	-	174	73	346	2,467	-	8,187	6,580
Office supplies	380	414	23	-	-	-	1,177	-	-	-	2,160	-	4,154	6,152
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	3,412
Insurance	-	312	-	-	-	-	-	-	169	-	2,387	-	2,868	2,836
Other expenses	-	-	-	-	-	-	-	-	447	-	757	-	1,204	743
In-kind grants	101,685	-	1,800	-	-	-	-	-	-	86,300	-	-	189,785	234,067
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total other expenses</b>	<u>1,072,852</u>	<u>72,132</u>	<u>220,320</u>	<u>221</u>	<u>279,493</u>	<u>36,191</u>	<u>40,913</u>	<u>19,466</u>	<u>63,503</u>	<u>109,597</u>	<u>293,106</u>	<u>839,890</u>	<u>3,047,684</u>	<u>2,850,252</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 1,072,852</u>	<u>\$ 528,666</u>	<u>\$ 220,320</u>	<u>\$ 221</u>	<u>\$ 279,493</u>	<u>\$ 36,191</u>	<u>\$ 40,913</u>	<u>\$ 19,466</u>	<u>\$ 63,503</u>	<u>\$ 109,597</u>	<u>\$ 293,106</u>	<u>\$ 839,890</u>	<u>\$ 3,504,218</u>	<u>\$ 3,292,512</u>