

HAITI OUTREACH MINISTRIES

Financial Statements – Cash Basis

December 31, 2023 and 2022

(See Accompanying Review Report
of Batchelor, Tillery & Roberts, LLP)

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Independent Accountants' Review Report

The Board of Directors
Haiti Outreach Ministries:

We have reviewed the accompanying financial statements of Haiti Outreach Ministries (a nonprofit organization) (the "Ministry"), which comprise the statements of assets, liabilities, and net assets – cash basis as of December 31, 2023 and 2022, and the related statements of revenue and support, expenses, and other changes in net assets – cash basis, functional expenses – cash basis, and cash flows – cash basis for the years 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 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, we do not express such an opinion.

Managements' Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Ministry and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

Basis of Accounting

We draw attention to note 1(b) of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Batchelor, Jillery & Roberts, LLP

July 10, 2024

HAITI OUTREACH MINISTRIES

Statements of Assets, Liabilities, and
Net Assets – Cash Basis

December 31, 2023 and 2022

(See Accompanying Review Report of
Batchelor, Tillery & Roberts, LLP)

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash and cash equivalents, partially restricted	\$ 503,707	1,142,821
Investments	<u>1,132,582</u>	<u>495,249</u>
	\$ <u>1,636,289</u>	<u>1,638,070</u>
<u>Liabilities and Net Assets</u>		
Net assets:		
Without donor restrictions	544,572	411,613
With donor restrictions	<u>1,091,717</u>	<u>1,226,457</u>
Total net assets	\$ <u>1,636,289</u>	<u>1,638,070</u>

See accompanying notes to financial statements.

HAITI OUTREACH MINISTRIES

Statements of Revenue and Support, Expenses, and
Other Changes in Net Assets – Cash Basis

Year ended December 31, 2023, with Comparative Totals for 2022

(See Accompanying Review Report of
Batchelor, Tillery & Roberts, LLP)

	<u>2023</u>			<u>2022</u>
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>	
Revenue and support:				
Sponsorship	\$ -	1,106,988	1,106,988	1,165,329
Building and equipment	-	276,667	276,667	317,816
General operations	410,749	-	410,749	386,104
Medical clinic	-	188,318	188,318	192,666
Emergency relief	-	213,858	213,858	15,895
Ministry support	97,582	-	97,582	68,082
Food	46,037	-	46,037	69,007
Dental clinic	-	12,000	12,000	10,500
Other income (expense)	7,812	-	7,812	(14,081)
	<u>562,180</u>	<u>1,797,831</u>	<u>2,360,011</u>	<u>2,211,318</u>
Net assets released from restrictions	<u>1,932,571</u>	<u>(1,932,571)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>2,494,751</u>	<u>(134,740)</u>	<u>2,360,011</u>	<u>2,211,318</u>
Expenses:				
Program	2,152,643	-	2,152,643	2,272,617
Management and general	192,416	-	192,416	190,096
Fundraising	16,733	-	16,733	8,654
Total expenses	<u>2,361,792</u>	<u>-</u>	<u>2,361,792</u>	<u>2,471,367</u>
Change in net assets	132,959	(134,740)	(1,781)	(260,049)
Net assets, beginning of year	<u>411,613</u>	<u>1,226,457</u>	<u>1,638,070</u>	<u>1,898,119</u>
Net assets, end of year	\$ <u>544,572</u>	<u>1,091,717</u>	<u>1,636,289</u>	<u>1,638,070</u>

See accompanying notes to financial statements.

HAITI OUTREACH MINISTRIES

Statements of Revenue and Support, Expenses, and
Other Changes in Net Assets – Cash Basis

Year ended December 31, 2022

(See Accompanying Review Report of
Batchelor, Tillery & Roberts, LLP)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue and support:			
Sponsorship	\$ -	1,165,329	1,165,329
Building and equipment	-	317,816	317,816
General operations	386,104	-	386,104
Medical clinic	-	192,666	192,666
Emergency relief	-	15,895	15,895
Ministry support	68,082	-	68,082
Food	69,007	-	69,007
Dental clinic	-	10,500	10,500
Other expense	<u>(14,081)</u>	<u>-</u>	<u>(14,081)</u>
	509,112	1,702,206	2,211,318
Net assets released from restrictions	<u>2,092,641</u>	<u>(2,092,641)</u>	<u>-</u>
Total revenue and support	<u>2,601,753</u>	<u>(390,435)</u>	<u>2,211,318</u>
Expenses:			
Program	2,272,617	-	2,272,617
Management and general	190,096	-	190,096
Fundraising	<u>8,654</u>	<u>-</u>	<u>8,654</u>
Total expenses	<u>2,471,367</u>	<u>-</u>	<u>2,471,367</u>
Change in net assets	130,386	(390,435)	(260,049)
Net assets, beginning of year	<u>281,227</u>	<u>1,616,892</u>	<u>1,898,119</u>
Net assets, end of year	\$ <u>411,613</u>	<u>1,226,457</u>	<u>1,638,070</u>

See accompanying notes to financial statements.

HAITI OUTREACH MINISTRIES

Statements of Functional Expenses – Cash Basis

Year ended December 31, 2023, with Comparative Totals for 2022

(See Accompanying Review Report of
Batchelor, Tillery & Roberts, LLP)

	2023				2022
	Program	Management and general	Fundraising	Total	
Grants and assistance	\$ 2,066,206	-	-	2,066,206	2,172,299
Salaries and wages	11,992	109,308	-	121,300	94,738
Food shipments	45,013	-	-	45,013	30,384
Office expenses	311	34,151	8,658	43,120	78,960
Travel	-	25,775	3,359	29,134	21,690
Information technology	2,335	10,032	4,716	17,083	10,736
Emergency aid	10,200	-	-	10,200	40,000
Medical with CurAmericas	10,000	-	-	10,000	10,000
Payroll taxes	918	8,362	-	9,280	7,800
Professional fees	-	4,000	-	4,000	3,972
Insurance	-	788	-	788	788
Other	5,668	-	-	5,668	-
	\$ <u>2,152,643</u>	<u>192,416</u>	<u>16,733</u>	<u>2,361,792</u>	<u>2,471,367</u>

See accompanying notes to financial statements.

HAITI OUTREACH MINISTRIES

Statement of Functional Expenses – Cash Basis

Year ended December 31, 2022

(See Accompanying Review Report of
Batchelor, Tillery & Roberts, LLP)

	Program	Management and general	Fundraising	Total
Grants and assistance	\$ 2,172,299	-	-	2,172,299
Salaries and wages	7,906	86,832	-	94,738
Office expenses	9,007	61,524	8,429	78,960
Emergency aid	40,000	-	-	40,000
Food shipments	30,384	-	-	30,384
Travel	-	21,465	225	21,690
Information technology	1,800	8,936	-	10,736
Medical with CurAmericas	10,000	-	-	10,000
Payroll taxes	1,221	6,579	-	7,800
Professional fees	-	3,972	-	3,972
Insurance	-	788	-	788
	\$ <u>2,272,617</u>	<u>190,096</u>	<u>8,654</u>	<u>2,471,367</u>

See accompanying notes to financial statements.

HAITI OUTREACH MINISTRIES

Statements of Cash Flows – Cash Basis

Years ended December 31, 2023 and 2022

(See Accompanying Review Report of
Batchelor, Tillery & Roberts, LLP)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities -		
Change in net assets	\$ (1,781)	(260,049)
Cash flows from investing activities -		
Purchases of certificates of deposits, net	<u>(637,333)</u>	<u>(295,249)</u>
Net decrease in cash, cash equivalents, and restricted cash	(639,114)	(555,298)
Cash and cash equivalents, beginning of year	<u>1,142,821</u>	<u>1,698,119</u>
Cash and cash equivalents, end of year	\$ <u>503,707</u>	<u>1,142,821</u>

See accompanying notes to financial statements.

HAITI OUTREACH MINISTRIES

Notes to Financial Statements

December 31, 2023 and 2022

(See Accompanying Review Report
of Batchelor, Tillery & Roberts, LLP)

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

Haiti Outreach Ministries (the “Ministry”), a nonprofit organization, is a faith-based group established in 1989 to advance and promote the Christian faith through the conduct of programs which provide assistance, including but not limited to food, medical assistance, and educational programs to impoverished and disadvantaged persons in Haiti. These programs are conducted through a separate Haitian entity, Mission Communautaire de l’Eglise Chretienne des Cites.

The Ministry’s primary sources of revenue and support are contributions and sponsorships.

(b) Basis of Accounting

The accompanying financial statements have been prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, the only assets recognized are cash and investments, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized in the financial statements. The cash basis differs from accounting principles generally accepted in the United States of America primarily because the effects of outstanding receivables and payables at the date of the financial statements are not included in the financial statements.

(c) Cash and Cash Equivalents

Included in cash are checking accounts. In the normal course of business, the Ministry may maintain cash in financial institutions in excess of the insured limit of \$250,000. Management of the Ministry believes no significant risk of loss exists with respect to these balances. As of December 31, 2023 and 2022, cash in excess of insured limits totaled \$152,050 and \$892,821 respectively.

(d) Investments

Investments in certificates of deposit are carried at fair market value. The Ministry records gains and losses when securities are sold and income is received, in accordance with the cash basis of accounting. Investments in certificates of deposits totaled \$1,132,582 and \$495,249 as of December 31, 2023 and 2022, respectively.

HAITI OUTREACH MINISTRIES

Notes to Financial Statements, Continued

December 31, 2023 and 2022

(See Accompanying Review Report
of Batchelor, Tillery & Roberts, LLP)

(1) Organization and Summary of Significant Accounting Policies, Continued

(e) Contributions

The Ministry records contributions as revenue in the period received. Contributions received are recorded as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. When the restriction has been met, net assets with donor restrictions are released.

(f) Fair Value Measurements

For determining fair value measurements, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Management follows an established framework for measuring fair value. That framework provides a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are described below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: one or more significant inputs or significant value drivers that are unobservable or based on market assumptions

The fair values of investments are based on quoted market prices, when available. Such investments consist of certificates of deposit and are classified as Level 1 in the fair value hierarchy.

(g) Income Taxes

The Ministry is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state statutes, and accordingly, no income taxes have been provided for the Ministry in the accompanying financial statements.

(h) Functional Allocation of Expenses

Management estimates the costs of providing the various programs and other activities on a functional basis in the statements of revenue and support, expenses, and other changes in net assets – cash basis and of functional expenses – cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenditures not directly attributable to specific programs or supporting services are allocated to programs or supporting services by management based on what is considered to be the best available objective criteria, such as hours worked or relative benefit.

HAITI OUTREACH MINISTRIES

Notes to Financial Statements, Continued

December 31, 2023 and 2022

(See Accompanying Review Report
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(2) Liquidity and Availability of Resources

The Ministry regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Ministry considers all expenditures related to its ongoing activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the financial statement date, comprise the following:

	<u>2023</u>	<u>2022</u>
Financial assets, at year end:		
Cash and cash equivalents	\$ 503,707	1,142,821
Investments	<u>1,132,582</u>	<u>495,249</u>
	1,636,289	1,638,070
Less amounts restricted by donors	<u>(1,091,717)</u>	<u>(1,226,457)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>544,572</u>	<u>411,613</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Ministry operates with a balanced budget and anticipates collecting sufficient revenue, primarily through contributions, to cover general expenditures.

(3) Net Assets

Net assets consists of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Without donor restrictions - general fund	\$ <u>544,572</u>	<u>411,613</u>
With donor restrictions:		
Building and equipment	144,679	409,495
Sponsorship	735,382	607,457
Emergency relief	55,612	53,505
Medical	110,776	94,728
Library and computer	8,626	8,626
Other	<u>36,642</u>	<u>52,646</u>
	<u>1,091,717</u>	<u>1,226,457</u>
	\$ <u>1,636,289</u>	<u>1,638,070</u>

HAITI OUTREACH MINISTRIES

Notes to Financial Statements, Continued

December 31, 2023 and 2022

(See Accompanying Review Report
of Batchelor, Tillery & Roberts, LLP)

(4) Subsequent Events

The date to which events occurring after December 31, 2023, the date of the most recent statement of assets, liabilities, and net assets – cash basis, have been evaluated for possible adjustment to the financial statements or disclosure is July 10, 2024, the date the financial statements were available to be issued.