



**HAND IN HAND/MANO EN MANO AND SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS

AND

SUPPLEMENTARY SCHEDULES

With Independent Auditors' Report

DECEMBER 31, 2021 AND 2020



HAND IN HAND/MANO EN MANO AND SUBSIDIARY

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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To the Board of Directors  
Hand in Hand/Mano en Mano and Subsidiary:

### **Opinion**

We have audited the accompanying consolidated financial statements of Hand in Hand/Mano en Mano and Subsidiary (the Organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hand in Hand/Mano en Mano and Subsidiary as of December 31, 2021 and 2020, and its changes in net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hand in Hand/Mano en Mano and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our 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 U.S. generally accepted auditing standards and *Government 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 U.S. generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Hand in Hand/Mano en Mano and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hand in Hand/Mano en Mano and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

## Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Consolidated Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

## Other information included in the Organization's Annual Report

Management is responsible for the other information included in the Organization's Annual Report. The other information comprises management and governance discussion and analysis but it does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance on it.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Albin, Ransdell & Bennett*

September 28, 2022

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020

<b>ASSETS</b>	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS:</b>		
Cash	\$ 1,631,208	1,022,325
Restricted reserve funds	121,996	107,664
Tenant security deposits	4,609	3,063
Accounts receivable	550,567	378,370
Pledges receivable	372,756	-
Prepaid expenses	<u>22,113</u>	<u>7,729</u>
Total current assets	<u>2,703,249</u>	<u>1,519,151</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Land	150,725	87,553
Land improvements	23,702	23,702
Building	1,256,490	1,181,501
Furniture and fixtures	31,776	28,716
Vehicles	43,527	43,527
Construction in progress	<u>697</u>	<u>-</u>
	1,506,917	1,364,999
Less accumulated depreciation	<u>369,628</u>	<u>328,405</u>
Net property and equipment	<u>1,137,289</u>	<u>1,036,594</u>
<b>OTHER ASSETS:</b>		
Security deposits	2,500	2,500
Pledges receivable - long term	<u>15,000</u>	<u>-</u>
	<u>\$ 3,858,038</u>	<u>2,558,245</u>

See accompanying notes to financial statements.

**LIABILITIES AND NET ASSETS**

	<u>2021</u>	<u>2020</u>
CURRENT LIABILITIES:		
Line of credit	\$ 300,000	-
Current portion of long-term debt	257,921	7,746
Fiscal sponsorship obligation	323,510	-
Accounts payable	32,263	32,636
Accrued expenses	14,509	52,146
Tenant security deposits	4,614	3,063
Deferred revenue	<u>2,451</u>	<u>-</u>
Total current liabilities	<u>935,268</u>	<u>95,591</u>
LONG-TERM LIABILITIES:		
Long term debt, net of current portion	184,479	192,848
Debentures payable	<u>500,000</u>	<u>-</u>
Total long-term liabilities	<u>684,479</u>	<u>192,848</u>
NET ASSETS:		
Net assets without donor restrictions	1,310,886	1,171,523
Net assets with donor restrictions	<u>927,405</u>	<u>1,098,283</u>
Total net assets	<u>2,238,291</u>	<u>2,269,806</u>
	<u>\$ 3,858,038</u>	<u>2,558,245</u>

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2021

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Totals</u>
<b>PUBLIC SUPPORT, PROGRAM SERVICES, AND REVENUE:</b>			
Public support:			
Grants	\$ 156,962	1,183,199	1,340,161
Contributions	<u>117,973</u>	<u>262,409</u>	<u>380,382</u>
Total public support	<u>274,935</u>	<u>1,445,608</u>	<u>1,720,543</u>
Program services:			
Access and advocacy	1,490	-	1,490
Migrant education	762,261	-	762,261
Housing	87,616	-	87,616
COVID-19 community response	494,454	-	494,454
Fiscal sponsorships	<u>-</u>	<u>714,155</u>	<u>714,155</u>
Total program services	<u>1,345,821</u>	<u>714,155</u>	<u>2,059,976</u>
Revenue:			
Interest income	1,400	57	1,457
Other revenue	<u>20,206</u>	<u>-</u>	<u>20,206</u>
Total revenue	21,606	57	21,663
Net assets released by satisfaction of program restrictions	<u>2,330,698</u>	<u>(2,330,698)</u>	<u>-</u>
Total public support, program services, and revenue	<u>3,973,060</u>	<u>(170,878)</u>	<u>3,802,182</u>
<b>EXPENSES:</b>			
Program services	3,232,632	-	3,232,632
Management and general	570,089	-	570,089
Fundraising	<u>30,976</u>	<u>-</u>	<u>30,976</u>
Total expenses	<u>3,833,697</u>	<u>-</u>	<u>3,833,697</u>
Change in net assets	139,363	(170,878)	(31,515)
Net assets at beginning of year	<u>1,171,523</u>	<u>1,098,283</u>	<u>2,269,806</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,310,886</u>	<u>927,405</u>	<u>2,238,291</u>

See accompanying notes to financial statements.



HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2020

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Totals</u>
<b>PUBLIC SUPPORT, PROGRAM SERVICES, AND REVENUE:</b>			
Public support:			
Grants	\$ 190,025	1,443,610	1,633,635
Contributions	<u>46,408</u>	<u>216,509</u>	<u>262,917</u>
Total public support	<u>236,433</u>	<u>1,660,119</u>	<u>1,896,552</u>
Program services:			
Access and advocacy	15,049	-	15,049
Migrant education	768,950	-	768,950
Housing	86,872	-	86,872
COVID-19 community response	383,388	-	383,388
Fiscal sponsorships	<u>-</u>	<u>247,926</u>	<u>247,926</u>
Total program services	<u>1,254,259</u>	<u>247,926</u>	<u>1,502,185</u>
Revenue:			
Interest income	1,925	-	1,925
Other revenue	18,783	-	18,783
PPP loan forgiveness income	<u>151,142</u>	<u>-</u>	<u>151,142</u>
Total revenue	171,850	-	171,850
Net assets released by satisfaction of program restrictions	<u>896,913</u>	<u>(896,913)</u>	<u>-</u>
Total public support, program services, and revenue	<u>2,559,455</u>	<u>1,011,132</u>	<u>3,570,587</u>
<b>EXPENSES:</b>			
Program services	2,077,908	-	2,077,908
Management and general	347,685	-	347,685
Fundraising	<u>14,119</u>	<u>-</u>	<u>14,119</u>
Total expenses	<u>2,439,712</u>	<u>-</u>	<u>2,439,712</u>
Change in net assets	119,743	1,011,132	1,130,875
Net assets at beginning of year	<u>1,051,780</u>	<u>87,151</u>	<u>1,138,931</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,171,523</u>	<u>1,098,283</u>	<u>2,269,806</u>

See accompanying notes to financial statements.

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2021

	Program Services							Support Services			
	Access and advocacy	Child Care	Migrant education	Housing	COVID-19 community programs	Presente Maine	TREE	Total	Management and general	Fundraising	Total
Salaries and wages	\$ 104,046	105,456	365,182	41,969	289,027	320,823	101,366	1,327,869	204,297	18,229	1,550,395
Payroll taxes	7,755	13,355	31,681	3,520	17,931	20,174	6,402	100,818	15,973	1,650	118,441
Employee benefits	18,788	13,130	44,951	8,138	18,790	53,827	11,376	169,000	38,257	3,402	210,659
Total personnel	<u>130,589</u>	<u>131,941</u>	<u>441,814</u>	<u>53,627</u>	<u>325,748</u>	<u>394,824</u>	<u>119,144</u>	<u>1,597,687</u>	<u>258,527</u>	<u>23,281</u>	<u>1,879,495</u>
Advertising	-	-	-	140	-	-	50	190	2,754	1,272	4,216
Community member grants	10,000	-	-	167,101	126,300	45,390	2,578	351,369	-	-	351,369
Depreciation	5,028	-	886	32,726	197	-	-	38,837	2,386	-	41,223
Grants to other organizations	-	-	-	29,000	-	590,581	9,500	629,081	-	-	629,081
Information technology	1,606	603	19,314	1,858	-	8,893	417	32,691	27,477	3,729	63,897
Insurance	-	-	-	6,010	9,423	1,435	-	16,868	16,974	-	33,842
Interest	-	-	-	6,109	-	-	-	6,109	272	-	6,381
Legal and accounting	-	-	1,338	17,058	1,338	2,675	-	22,409	109,174	-	131,583
Occupancy	-	-	16,430	35,931	-	5	125	52,491	51,169	-	103,660
Office	238	123	1,469	1,157	2,980	12,601	136	18,704	11,772	410	30,886
Other program expenses	19,754	5,101	19,113	598	25,163	54,590	7,586	131,905	3,248	356	135,509
Professional and outside services	8,855	1,500	27,135	16,433	270	27,605	71,727	153,525	77,430	-	230,955
Supplies	3,782	6,173	25,792	378	20,860	23,077	22,506	102,568	-	356	102,924
Travel	7,703	64	22,191	686	26,593	12,289	1,456	70,982	8,000	922	79,904
Bad debt	-	100	-	1,068	-	-	-	1,168	-	-	1,168
Miscellaneous	488	96	726	347	-	2,706	1,685	6,048	906	650	7,604
Total other expenses	<u>57,454</u>	<u>13,760</u>	<u>134,394</u>	<u>316,600</u>	<u>213,124</u>	<u>781,847</u>	<u>117,766</u>	<u>1,634,945</u>	<u>311,562</u>	<u>7,695</u>	<u>1,954,202</u>
Total functional expenses	<u>\$ 188,043</u>	<u>145,701</u>	<u>576,208</u>	<u>370,227</u>	<u>538,872</u>	<u>1,176,671</u>	<u>236,910</u>	<u>3,232,632</u>	<u>570,089</u>	<u>30,976</u>	<u>3,833,697</u>

See accompanying notes to financial statements.

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2020

	Program Services							Support Services			
	Access and Advocacy	Child Care	Migrant education	Housing	COVID-19 community programs	Presente Maine	TREE	Total	Management and general	Fundraising	Total
Salaries and wages	\$ 140,392	-	363,064	11,889	221,948	84,529	53,295	875,117	89,917	7,413	972,447
Payroll taxes	10,727	-	27,740	908	16,958	6,458	4,072	66,863	6,871	566	74,300
Employee benefits	24,301	-	64,747	2,520	8,547	6,799	5,702	112,616	16,188	1,079	129,883
Total personnel	<u>175,420</u>	<u>-</u>	<u>455,551</u>	<u>15,317</u>	<u>247,453</u>	<u>97,786</u>	<u>63,069</u>	<u>1,054,596</u>	<u>112,976</u>	<u>9,058</u>	<u>1,176,630</u>
Advertising	-	-	-	544	-	-	-	544	45	75	664
Community member grants	16,463	-	-	-	446,358	1,203	-	464,024	-	-	464,024
Depreciation	-	-	-	33,595	-	1,853	-	35,448	3,102	-	38,550
Information technology	1,605	-	15,649	2,532	4,434	1,118	2,898	28,236	22,783	-	51,019
Insurance	-	-	-	2,902	-	330	-	3,232	7,581	-	10,813
Interest	-	-	-	4,537	-	-	-	4,537	531	-	5,068
Legal and accounting fees	-	-	3,200	10,186	-	-	-	13,386	85,611	-	98,997
Occupancy	-	-	16,295	40,455	-	-	-	56,750	55,857	-	112,607
Office	452	-	4,042	471	2,586	166	-	7,717	17,281	3,329	28,327
Other program expenses	9,965	7,021	12,554	-	7,712	85,444	2,301	124,997	1,048	375	126,420
Professional and outside services	6,649	-	35,815	17,703	-	8,125	38,700	106,992	25,134	450	132,576
Supplies	729	-	57,767	-	13,020	7,945	7,489	86,950	471	-	87,421
Travel	9,184	31	38,507	753	36,307	1,136	755	86,673	8,569	278	95,520
Bad debt	-	-	-	1,620	-	-	-	1,620	-	-	1,620
In-kind expenses	-	-	-	-	-	-	-	-	4,862	-	4,862
Miscellaneous	380	56	1,676	44	-	50	-	2,206	1,834	554	4,594
Total other expenses	<u>45,427</u>	<u>7,108</u>	<u>185,505</u>	<u>115,342</u>	<u>510,417</u>	<u>107,370</u>	<u>52,143</u>	<u>1,023,312</u>	<u>234,709</u>	<u>5,061</u>	<u>1,263,082</u>
Total functional expenses	<u>\$ 220,847</u>	<u>7,108</u>	<u>641,056</u>	<u>130,659</u>	<u>757,870</u>	<u>205,156</u>	<u>115,212</u>	<u>2,077,908</u>	<u>347,685</u>	<u>14,119</u>	<u>2,439,712</u>

See accompanying notes to financial statements.

## HAND IN HAND/MANO EN MANO AND SUBSIDIARY

## CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES:		
Change in net assets	\$ (31,515)	1,130,875
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	41,223	38,550
Changes in operating assets and liabilities:		
Accounts receivable	(172,197)	(239,893)
Pledges receivable	(387,756)	-
Prepaid expenses	(14,384)	6,177
Fiscal sponsorship obligation	323,510	-
Accounts payable	(373)	2,878
Accrued expenses	(37,637)	26,628
Tenant security deposits	1,551	(254)
Deferred revenue	<u>2,451</u>	<u>-</u>
Net cash (used) provided by operating activities	<u>(275,127)</u>	<u>964,961</u>
INVESTING ACTIVITY - Purchases of property and equipment	<u>(141,918)</u>	<u>(25,000)</u>
FINANCING ACTIVITIES:		
Net borrowing on line of credit	300,000	-
Repayments of long-term debt	(8,194)	(7,568)
Borrowing of short-term debt	250,000	-
Issuance of debentures	<u>500,000</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>1,041,806</u>	<u>(7,568)</u>
Increase in cash and restricted cash	624,761	932,393
Cash and restricted cash at beginning of year	<u>1,133,052</u>	<u>200,659</u>
CASH AND RESTRICTED CASH AT END OF YEAR	<u>\$ 1,757,813</u>	<u>1,133,052</u>
COMPOSITION OF CASH AND RESTRICTED CASH AT END OF YEAR:		
Cash	\$ 1,631,208	1,022,325
Restricted reserve funds	121,996	107,664
Tenant security deposits	<u>4,609</u>	<u>3,063</u>
	<u>\$ 1,757,813</u>	<u>1,133,052</u>

See accompanying notes to financial statements.

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the organization - Hand in Hand/Mano en Mano and Subsidiary (the Organization) was established in 2005 to work with farmworkers statewide and immigrants in Downeast Maine to empower them to thrive. The Organization's vision is a stronger more inclusive Maine where the contributions of diverse communities are welcomed, access to essential services, education and housing are ensured, and social justice and equity are embraced.

In November 2020, the Organization established a single-member limited liability company (LLC) under the name Welcome Home Downeast, LLC, for the purpose of continuing the program objectives of the Welcome Home Downeast initiative. This subsidiary is renovating or building between 6 to 8 homes in Downeast Maine and providing migrant families the opportunity to rent or rent-to-own these homes.

Principles of consolidation - The consolidated financial statements of Hand in Hand/Mano en Mano and Subsidiary (the Organization) include the accounts of Hand in Hand/Mano en Mano and its wholly-owned subsidiary, Welcome Home Downeast, LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of accounting - The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Financial statement presentation - Under U.S. GAAP, 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 stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Organization or by the passage of time or that require net assets to be maintained permanently by the Organization.

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

Accounts receivable - Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. The Organization determines its past due receivables based on contractual terms and generally does not assess finance charges on past due receivables. The Organization uses the allowance method of accounting for doubtful accounts. Losses are charged to the allowance when considered uncollectible. All accounts receivable are considered collectible at December 31, 2021 and 2020.

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Paycheck Protection Program loan - Paycheck Protection Program (PPP) loan proceeds were recognized as conditional contributions under FASB Accounting Standards Update 2016-14 *Not-for-Profit Entities (Topic 958)*. The liability established as a refundable advance was reduced and income recognized ratably as related forgivable costs were incurred and it was reasonably assured that the conditions for forgiveness were met. The Organization used the proceeds for purposes consistent with the PPP and recognized the full income during the year ended December 31, 2020, in the accompanying consolidated statements of activities and changes in net assets. The Organization received full forgiveness from the Small Business Administration in November 2020.

Property and equipment - Property and equipment are recorded at cost. Donated property is recorded at fair market value on the date received. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets.

Advertising - The Organization recognizes advertising and promotional expenses as incurred. Advertising and promotional expenses totaled \$4,216 and \$664 for the years ended December 31, 2021 and 2020, respectively.

Contributions - Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the net assets with donor restrictions class, and a reclassification to net assets without donor restrictions is made to reflect the expiration of such restrictions.

Revenue recognition - The Organization derives its revenues primarily from public support and non-exchange government grants. Its program services revenues are primarily related to translation and interpretation and child care services provided to clients. The Organization has established billing rates for its interpreting and translation and child care services, which are recognized at a point in time when the services are performed, at the amount expected to be collected from the client. The Organization does not have any significant financing components as payment is received when or shortly after services are performed.

Tax status - Mano en Mano is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Welcome Home Downeast, LLC is disregarded for income tax purposes. Activities conducted beyond the organization's exempt purpose could be subject to unrelated business income taxes; however, the organizations have not engaged in any such activities.

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Uncertain tax positions - U.S. GAAP prescribes a comprehensive model for how a company should measure, recognize, present, and disclose in its financial statements uncertain tax positions that the Organization has taken or expects to take on a tax return. The Organization recognizes the tax benefits from uncertain tax positions if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position.

Functional allocation of expenses - The costs of providing the various program services have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services. Payroll and related taxes and benefits are allocated based on the amount of time spent by program and support function. Depreciation is allocated based on the usage of the underlying asset. Rent and occupancy expenses are primarily allocated to management and general except for certain occupancy expenses which relate exclusively to the delivery of a service. If the space is shared, the amount allocated is based on a percentage of staff time spent by program and support function.

Reclassifications - The financial statement presentation for 2020 has been changed to conform with the 2021 presentation. Total net assets and changes in net assets are unchanged as a result of the reclassifications.

Subsequent events - The Organization has evaluated events, if any, that have occurred subsequent to December 31, 2021, through September 28, 2022, the date the consolidated financial statements were available to be issued, and included information in the notes to the consolidated financial statements related to any identifiable events, if necessary. As disclosed in Note 6, the Organization issued debentures subsequent to year end for the purpose of developing real estate.

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available for general expenditure within one year of the statement of financial position date are as follows:

	<u>2021</u>	<u>2020</u>
Cash	\$ 1,631,208	1,022,325
Pledges receivable	372,756	-
Accounts receivable	550,567	378,370
Less: cash and accounts receivable with donor restrictions	<u>(942,662)</u>	<u>(1,098,283)</u>
	<u>\$ 1,611,869</u>	<u>302,412</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit of \$350,000, as more fully described in Note 4, which the Organization could draw upon in the event of an unanticipated liquidity need.

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

3. PLEDGES RECEIVABLE

Pledges receivable are summarized as follows:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 372,756	-
Receivable in one to five years	<u>15,000</u>	<u>-</u>
	387,756	-
Less current portion	<u>372,756</u>	<u>-</u>
 Total pledges receivable, net of current portion	 <u>\$ 15,000</u>	 <u>-</u>

4. LINE OF CREDIT

The Organization maintains a line of credit with Machias Savings Bank with maximum borrowings of \$350,000, which expires in March 2023. The line bears interest at .50% above the *Wall Street Journal* prime rate, 3.75% at December 31, 2021. The line is secured by all business assets with a carrying value of \$3,858,038 at December 31, 2021. The outstanding balances on the line of credit were \$300,000 and \$0 as of December 31, 2021 and 2020, respectively.

5. LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2021</u>	<u>2020</u>
Mortgage payable to USDA - Rural Development due in monthly principal and interest installments of \$532 through March 2044. The interest rate is fixed at 1.00%. The mortgage is secured by real estate and related assets with a carrying value of \$1,148,573 at December 31, 2021.	\$ 127,200	132,311
Note payable to Machias Savings Bank due in monthly principal and interest installments of \$477 through March 2038. The interest rate is fixed at 4.50%. The note is secured by real estate with a carrying value of \$973,840 at December 31, 2021.	65,200	68,283



HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

5. LONG-TERM DEBT, CONTINUED

	<u>2021</u>	<u>2020</u>
90 Day note payable to Machias Savings Bank including interest at 4.50% through March 2022. The note was paid in full in February 2022.	250,000	-
	442,400	200,594
Less current portion	257,921	7,746
	\$ 184,479	192,848

Future maturities of long-term debt are as follows:

2022	\$	257,921
2023		8,103
2024		8,272
2025		8,486
2026		8,688
Thereafter		150,930
	\$	442,400

The mortgage payable with USDA - Rural Development and the note payable to Machias Savings Bank are cross-collateralized and cross-defaulted.

6. DEBENTURES PAYABLE

In 2021, Welcome Home Downeast, LLC registered \$1,000,000 of debt securities with the U.S Securities and Exchange Commission to be issued to accredited investors over the course of one year. \$500,000 of these securities were issued during 2021 with a five year term, including simple interest at 1% payable annually. The purpose of the issuance is to generate capital to fund the acquisition of real estate. The debentures are secure by the assets of Welcome Home Downeast, LLC totaling \$610,136 at December 31, 2021.

Subsequent to year end, the Organization issued an additional \$250,000 of debentures with a five year term, including simple interest at 1% payable annually.

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

7. RESTRICTION ON USE OF NET ASSETS

Net assets with donor restrictions are restricted to:

	<u>2021</u>	<u>2020</u>
Access to essential services	\$ 63,172	50,000
Advocacy	6,950	-
Child care capital projects	100,000	-
Housing fund	289,065	495,251
Presente Maine	-	299,407
Time restricted gifts	387,756	100,000
TREE	43,870	65,507
Welcome initiative	<u>36,592</u>	<u>88,118</u>
 Total net assets with donor restrictions	 <u>\$ 927,405</u>	 <u>1,098,283</u>

8. RENTAL ASSISTANCE AGREEMENT

The Organization owns and operates an apartment building that houses six families in which one or more member of the household earns a majority of their income from agriculture or aquaculture. The Organization has entered into a rental assistance agreement with USDA - Rural Development which provides payments to owners of USDA-financed Farm Labor Housing projects on behalf of low-income tenants unable to pay their full rent. The Organization received rental subsidies in the amount of \$45,019 and \$57,775 for the years ended December 31, 2021 and 2020, respectively.

9. EMPLOYEE BENEFIT PLAN

The Organization sponsors a Safe Harbor 401(k) plan (the Plan). For each calendar year, the Organization will contribute a matching contribution for each eligible employee's Safe Harbor 401(k) equal to the employee's salary reduction contribution up to 6% of the employee's compensation. Total contributions to the Plan were approximately \$28,200 and \$20,000 for the years ended December 31, 2021 and 2020, respectively.

10. CONCENTRATIONS OF CREDIT RISK

The Organization's financial instruments exposed to concentration of credit risk consist primarily of cash and restricted reserve funds, accounts receivable, and pledges receivable.

The Organization maintains cash balances with a bank that is a member of the Federal Deposit Insurance Corporation (FDIC) up to a maximum amount of \$250,000. At times, the Organization maintains cash balances with financial institutions in excess of amounts federally insured. The Organization does not believe it is exposed to significant risk with respect to cash balances.

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

10. CONCENTRATIONS OF CREDIT RISK, CONTINUED

Approximately 41% and 35% of the Organization's total public support, program services, and revenue was received under agreements with the State of Maine for the years ended December 31, 2021 and 2020, respectively. Accounts receivable attributed to the State of Maine totaled \$398,553 and \$171,051 at December 31, 2021 and 2020, respectively.

11. COMMITMENTS

Restricted reserve funds - The Organization is required under the terms of the USDA mortgage note payable to fund a replacement reserve account for expected future costs for its apartment building in the amount of \$1,375 per month. In addition, the Organization funds a tax and insurance reserve account.

Operating lease commitments - The Organization leases property and equipment from unrelated parties under lease agreements that expire from 2021 through 2028 with various options for renewal. Total rent expense was \$103,365 and \$112,607 for the years ended December 31, 2021 and 2020, respectively. The Organization is responsible for utilities and routine maintenance.

Future minimum lease obligations on the operating leases are as follows:

2022	\$ 46,056
2023	41,588
2024	26,773
2025	25,000
2026	25,000
Thereafter	<u>50,000</u>
	<u>\$ 214,417</u>

12. FISCAL SPONSORSHIP

The Organization acts as fiscal sponsor to two groups, which engage in activities that are consistent with the Organization's mission. The Organization accepts tax-deductible donations on behalf of fiscally sponsored groups and administers the expenditures of those funds for designated tax-exempt charitable purposes. Fiscal sponsorship support is offered to community groups on a case by case basis, in situations in which there is no appropriate community-based 501(c)(3) organization that could otherwise act as fiscal sponsor.

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

12. FISCAL SPONSORSHIP, CONTINUED

The following is a summary of fiscal sponsorship activity:

Presente Maine

	<u>2021</u>	<u>2020</u>
Fiscal sponsorship included as part of net assets with donor restrictions, beginning of year	\$ 299,407	5,500
Add: net assets with donor restricted revenue for fiscal sponsorship	961,974	512,703
Less: net assets released from restrictions for fiscal sponsorship	<u>(1,261,381)</u>	<u>(218,796)</u>
Fiscal sponsorship included as part of net asset with donor restrictions, end of year	<u>\$ -</u>	<u>299,407</u>

The fiscal sponsorship agreement with Presente Maine has terminated as of December 31, 2021, with the activity continuing as a separate and unrelated 501(c)(3) charitable organization. Amounts collected on behalf of Presente Maine and not expended as of December 31, 2021, totaling \$323,510 are presented in the accompanying consolidated statement of financial position as fiscal sponsorship obligation for the year ended December 31, 2021.

TREE (Transforming Rural Experiences in Education)

	<u>2021</u>	<u>2020</u>
Fiscal sponsorship included as part of net assets with donor restrictions, beginning of year	\$ 65,507	-
Add: net assets with donor restricted revenue for fiscal sponsorship	266,037	182,630
Less: net assets released from restrictions for fiscal sponsorship	<u>(287,674)</u>	<u>(117,123)</u>
Fiscal sponsorship included as part of net asset with donor restrictions, end of year	<u>\$ 43,870</u>	<u>65,507</u>

13. UNCERTAIN CONDITIONS

The coronavirus pandemic and efforts to mitigate the disease's effects continue to disrupt the global economy. The future effects on the financial position, results of operations, and cash flows of the Organization are indeterminable; however, management continues to monitor developments.

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

14. SUBSEQUENT EVENTS

Subsequent to year end, Welcome Home Downeast, LLC, purchased five parcels of real estate at a cost of approximately \$370,000. The organization is developing plans for renovations and improvements of approximately \$1,000,000, with \$52,000 of the project costs under contract as of September 28, 2022.

15. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	<u>2021</u>	<u>2020</u>
Cash paid for interest	\$ <u>6,381</u>	<u>5,068</u>

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2021

<u>Federal Grantor/Program Title</u>	<u>Federal assistance listing number</u>	<u>Pass-through entity identifying number</u>	<u>Federal expenditures</u>
U.S. Department of Agriculture:			
Rural Rental Housing Loans (direct)	10.415		\$ 132,311
Rent Rental Assistance Payments (direct)	10.427		45,019
Child Nutrition Cluster - Summer Food Service Program (passed through Maine Department of Education)	10.559	none	<u>3,013</u>
Total U.S. Department of Agriculture			<u>180,343</u>
U.S. Department of Education:			
Migrant Education - State Grant Program (passed through Maine Department of Education)	84.011	20201130*1651	636,828
Migrant Education - State Grant Program (passed through Maine Department of Education)	84.011	20200114*2077	<u>50,166</u>
Total U.S. Department of Education			<u>686,994</u>
U.S. Department of Health and Human Services:			
COVID-19 Community-Based Workforce to Build Vaccine Confidence (passed through National Alliance of Hispanic Health)	93.011	U3S42189	165,749
Immunization Cooperative Agreements (passed through Maine DHHS)	93.268	none	96,845
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (passed through Maine DHHS)	93.323	COM-21-5025A	375,120
COVID-19 477 Cluster Child Care and Development Block Grant (passed through Maine DHHS)	93.575	755902	47,807
COVID19 Mental Health Disaster Assistance and Emergency Health (passed through Maine DHHS)	93.982	none	<u>196,049</u>
Total U.S. Department of Health and Human Services			<u>881,570</u>
Total expenditures of federal awards			<u>\$ 1,748,907</u>

See accompanying notes to schedule of expenditures of federal awards.

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2021

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the SEFA) includes the federal award activity of the Organization under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended and does not present the financial position, changes in net assets, or cash flows of the Organization.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

INDIRECT COST RATE

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

LOAN GUARANTEE PROGRAM

The outstanding balance on the U.S. Department of Agriculture Rural Rental Housing Loan was \$127,200 at December 31, 2021.

PASS-THROUGH AWARDS

There were no awards passed-through to subrecipients.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Hand in Hand/Mano en Mano and Subsidiary:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Hand in Hand/Mano en Mano and Subsidiary (the Organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 28, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses; however, material weaknesses may exist that have not been identified.



## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts; however, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that is required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Albin, Randall & Bennett*

September 28, 2022

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
Hand in Hand/Mano en Mano and Subsidiary:

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Hand in Hand/Mano en Mano and Subsidiary's (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2021. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Hand in Hand/Mano en Mano and Subsidiary and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

## Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

## Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Albin, Randall & Bennett*

September 28, 2022

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED DECEMBER 31, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial statements:

Type of report the auditor issued on whether the consolidated financial statements audited were prepared in accordance with GAAP	Unmodified
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Internal control over financial reporting:

Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to consolidated financial statements noted?	No

Federal awards:

Internal control over major programs:

Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported

Type of auditors' report issued on compliance for major federal programs.	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No
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Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.011	Migrant Education - State Formula Grant

Dollar threshold used to distinguish between Type A and Type B programs.	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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SECTION II - FINANCIAL STATEMENT FINDINGS

None

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

SECTION IV - PRIOR YEAR FINDINGS

2020-001

Department of Homeland Security, Disaster Grants - Public Assistance (Presidentially Declared Disasters) - ALN 97.036 (passed through Maine State Housing Authority); agreement periods August 2, 2020 - September 12, 2020, and October 17, 2020 - November 30, 2020.

Title 2 U.S. Code of Federal Regulations Part 200, Appendix XI requires sub-recipients of large projects to make an accounting to the state and in submitting the accounting, the organization is required to certify that the reported costs were incurred in performance of eligible work, that the approved work was completed, that the project is in compliance with the provisions of FEMA-State Agreement, all grant conditions were met, and that payments for the project were made in accordance with the applicable payment provisions. The Organization provided no such certifications for this project. This project has ended. The Organization will make the required certification for any future awards or sub-awards. In addition, the Organization will identify future awards and sub-awards by assistance listing number (ALN) to ensure compliance with applicable requirements.