



By The Hand Club For Kids
2021 Annual Report

20 years of possible

Celebrating the impossible
made possible





The Chicago skyline offered the perfect backdrop for the unveiling of our 20th anniversary Memorial Wall at Cabrini-Green this past March.



By The Hand is a Chicago-based, after-school program that emphasizes academic excellence while nurturing the whole child—mind, body and soul. Located within some of Chicago's most under-resourced neighborhoods, By The Hand helps kids have abundant life.

Letter from the Founder and Executive Director



Thank you for being a part of By The Hand—and for your love, prayers and support.

This past year has been incredible. March 20, 2021, was our 20th anniversary. Humanly speaking, what we experienced and witnessed over the past 20 years has been an awe-inspiring display of God’s providence and provision. Time and time again, we were faced with the impossible. Miracle after miracle, God made the impossible possible.

In 2001, By The Hand began with 16 kids and the vision of helping children who live in under-resourced neighborhoods have abundant life. Since then, we have served more than 6,000 kids—mind, body and soul. Of these, 81 percent have said that they

trust and follow Jesus, and 88 percent of high school seniors served have graduated and 86 percent of high school graduates have pursued higher education. What an awesome God we serve!

The last year and a half was incredible from the perspective of what God allowed By The Hand to accomplish during the COVID-19 pandemic. When countless businesses, schools and nonprofit organizations were forced to close, By The Hand never stopped. Staying on mission was more critical than ever as we responded immediately to the emergency needs of our kids and families. We served 35,696 individuals multiple times—including children, families and community members. Over the past 18 months, we delivered 115,294 services, even conducting personal home checks to address their most pressing needs, including food, rent, medical supplies—and continued learning.

During this past school year our in-person club remained open, except for a short break from Thanksgiving to New Year’s, and we continued to offer virtual programming all year. The combination of our in-person, virtual and homecare services enabled us to engage and support every one of the 1,454 students we served during 2020–2021. As a result, kids continuing with our computer reading program advanced an average of one year in reading while many of their peers at school fell behind.

Even with our mission intensifying during the past year, the pandemic has been devastating for many of our kids. They still suffer, having endured family sickness and death, financial hardships, isolation, poor nutrition and lack of exercise, causing an increase in depression and overall disengagement. In response, we added staff and special services for social and emotional learning, as well as additional mentoring and academic support to help our kids heal and recover.

We are always looking to reach more kids in ways that increase our impact and create sustainable revenue. The By The Hand – Moving Everest Charter School partnership in Austin achieved these goals.

We completed our middle school and had our first class of 90 sixth-graders during 2020–2021. By 2022, By The Hand – Moving Everest will serve 540 elementary students and 270 middle school students for a total of 810 students. This kindergarten-through-eighth-grade model will ensure that students are ready for a quality high school—the next step in preparing them for college and a career!

To achieve the same reach, impact and sustainability goals in North Austin, we broke ground on August 11 to begin construction on our sixth club. Instead of a charter school, we will partner with Intentional Sports and the Grace and Peace Revive Center, two other nonprofit organizations. The innovative facility will be a 150,000-square-foot sport, education and wellness facility on a 10-acre

campus. It will house Chicago's largest indoor turf arena for year-round indoor sports as well as multiple sport, education and wellness spaces. And at capacity, By The Hand – North Austin will serve 400 kids from kindergarten through twelfth grade.

We plan to break ground by the end of this year on a permanent structure for Austin Harvest. Austin Harvest is an entrepreneurship program of By The Hand. For the past two summers, our high school students have gained experience operating a fresh food pop-up market. With a permanent structure, the market can remain open year-round, providing fruits, vegetables and flowers for the community. The idea came about during listening circles when the kids expressed frustration about the area's few grocery stores closing after the 2020 riots. Sam Acho and other pro athletes donated funds to purchase a nearby liquor store and convert it to Austin Harvest.

As we serve more kids, open a new club and innovate for a greater impact, the real vision for the future is the difference our children will make for their families, friends and future generations. The ripple effect of even one transformed life is immeasurable. Likewise, the impact of thousands of children living abundantly and giving back to tens of thousands of people can change the world.

We are grateful that more people are becoming aware of what God has done to enable kids to experience abundant life. During our 2020–2021 year, By The Hand had 442,842,990 media impressions in the news and social media. This is amazing since we didn't have any media presence when we first began in 2001.

Finally, we are pleased to announce that By The Hand received a rare 100 percent trust rating from Charity Navigator for financial reporting and accountability. This places By The Hand in the top one percent of all nonprofits rated by them. We have kept our overhead low relative to programming and expenses while finishing 20 consecutive years in the black. Because we are not endowed, this has only been possible because of the generosity of people like you.

We could never have predicted the events of 2020. However, by God's grace and your faithfulness, we've been able to respond to the evolving needs of the students, families and communities we serve. Thank you for making it possible.

Sincerely,



Donnita Travis
Founder and Executive Director

**Scan to view the online
version of our timeline!**



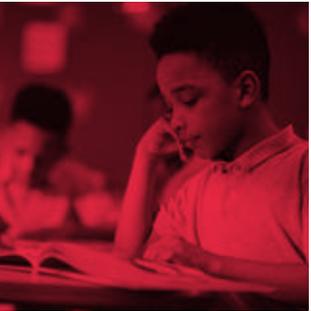


20 Years of Possible

Looking back over the past 20 years, we are amazed and humbled by all God has done to make the impossible possible. Nobody imagined the lives that would be transformed, the families changed or the communities impacted. Only God knew when He first revealed His vision for By The Hand through John 10:10, "The thief comes only to steal and kill and destroy. I came that they may have life, and have it abundantly."



What began in 2001 with 16 kids from Cabrini-Green has grown to serve more than 6,000 kids, with each child having the opportunity for new, abundant life in Christ. One location has become five locations—soon to be six—in four of Chicago’s most under-resourced neighborhoods. Hundreds of people like you are loving, nurturing, guiding and mentoring. Thousands of supporters are investing in eternity. And a generation of kids is overcoming, achieving and becoming The Solution this world needs. Children who others thought were unlikely to succeed have made the most extraordinary progress—and are giving back to their communities, sharing abundant life with others.



2001

Students Average GPA
16 2.23

March 20, 2001
By The Hand launched at The Moody Church

Using classrooms at The Moody Church, By The Hand began with 16 children from Cabrini-Green. Ms. Shanta, the first staff member, agreed to work without pay until donations were received. Donnita began sharing her God-given vision to serve 1,000 children by 2012, serving as a full-time volunteer since 2001.

September 11, 2001
By The Hand opened its new location in Cabrini-Green

Against the advice that kids from rival gang territories could never be brought together peacefully, By The Hand opened its new location at 419 W. Oak St. in Cabrini-Green, expanding to 32 kids from every part of Cabrini-Green and Marshall Field Garden Apartments.

December 2001
Each student received a gift card for Christmas

By The Hand gave students a \$25 Old Navy gift card for Christmas in honor of D. L. Moody’s tradition of buying children a suit of clothes. This later evolved to Christmas-in-the-City, where By The Hand takes all the children to State Street for shopping, sightseeing and a meal.

**"It was Jesus,
the Holy Spirit,
in these people,
and that just
drew me."**



2002

Students	Average GPA
32	2.26

2003

Students	Average GPA
84	2.34

June 1, 2003
**Club For Big Kids
is launched**

By The Hand started
its Club For Big Kids—
a high school program
currently called NXT.

2004

Students	Average GPA
178	2.46

Travis

By The Hand – Cabrini-Green, 2002

With his father absent his entire life, Travis was in a gang, and so were his two best friends. “They were my brothers. I still think about them.” Then one day, they vanished. He eventually learned they started attending a club called By The Hand, so he went to check it out.

“It felt like I stepped into an alternate universe. Something was different—something about these people, this environment.” One of the first people he met was Donnita, who—when he extended his hand for a handshake—surprised him with a hug. Travis thought, “I am actively in a gang. This lady doesn’t know the first thing about me. Yet I can feel that she truly cares about me. That she loves me. How is this possible?”

From then on, he had to go back to find out WHY these people were the way they were. “Of course, it was Jesus, the Holy Spirit, in these people, and that just drew me.” Eventually, light overcame darkness. One night when Travis was invited to three different parties, he opted to go to a Teen Church event, where he gave his life to Christ in August of 2003. He immediately began sharing the gospel with the gang. They said they respected his newfound passion, but it wasn’t for them. Before he could try again, the gentrification of Cabrini-Green pushed his friends beyond his reach. Grieved but undeterred, Travis shared his testimony at school with anyone who would listen.

Today, Travis is a resident director at Olivet Nazarene University—where he became our first college graduate—and a devoted father raising four children with his wife. He’s also our first alumnus to join the By The Hand board of directors. He will tell you, “Jesus is the one who will make the next 20 years possible.”



June 2004

Field trip to Six Flags Great America became annual event

Students who made all ABCs were rewarded with the first of what became an annual field trip to Six Flags Great America. The event incentivized kids to earn all ABCs.

September 1, 2004

God provided By The Hand with a new location just in time

For only \$100 per month, the Chicago Housing Authority gave By The Hand a 5-year lease for the 24,000-square-foot Lower North Center in Cabrini-Green. This allowed By The Hand Club to expand that year to serve 214 children.

2005

Students Average GPA

214 2.38

September 1, 2005

By The Hand opened its location in Altgeld-Murray

By The Hand leased an empty police station from the Chicago Housing Authority to open a second location in Altgeld-Murray with 66 children.

Cresean

By The Hand – Altgeld-Murray, 2007

Prior to attending By The Hand, Cresean had a compulsive aversion to social interactions. He rarely spoke to anyone because of bullying about his weight. Silence had become a form of survival. But during his first day at By The Hand, he heard a gospel song during chapel that he liked listening to with his mom. "I knew this was a place where I didn't have to be shy."

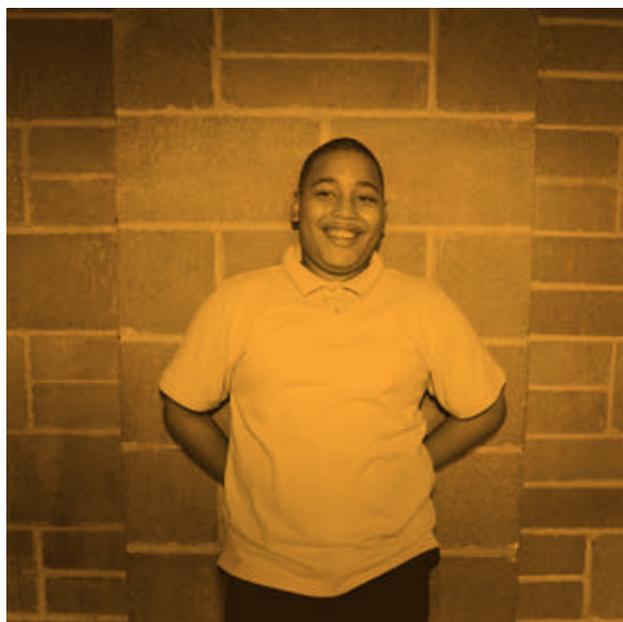
When asked how By The Hand has impacted him physically, Cresean throws up his hands and says frankly and joyfully, "They helped me lose weight! They got me into some programs, arranged workout sessions and boosted my self-esteem."

Before By The Hand, Cresean had only a vague idea of who God was. "But they led me on a path to discover the true meaning of God and shaped me into finding out who it really is that I serve."

Cresean and his friends frequently talk about how "being in By The Hand saved us. If we were somewhere else those afternoons we could have been 'in the wrong place at the wrong time.' Instead, we were safe, nurtured, loved."

"Once you get inside, it's a family. You make friends, you mature and you grow spiritually. There's something about this program that changes you spiritually, and that's the best gift ever. If it weren't for By The Hand, I wouldn't be where I am, because they've given me so many opportunities to go places and see things that I wouldn't have otherwise."

Today, Cresean is a senior studying social work at Clark Atlanta University. He has a heart for helping children heal from unidentified traumas before they adopt maladaptive survival techniques, preventing them from regulating their emotions as adults. "I just want to come back and give what I've been given. It's only right." Cresean is The Solution.



2006

Students Average GPA

310 2.41

March 1, 2006

**Tommy Nelson published
*The Boy of Color***

Tommy Nelson, a division of Thomas Nelson Publishing, published *The Boy of Color*. Written by Sherrie Nelson and illustrated by Joquese Cantrell, students at By The Hand, it is a beautiful book about prayer, beauty in diversity and the meaning of life.

2007

Students Average GPA

500 2.27

September 1, 2007

**By The Hand had its
first college student**

Travis, who joined By The Hand in 2002, became the club's first student to enroll in college.



“I want to give what I’ve been given.”

September 4, 2007

By The Hand - Austin opened with 132 kids

By The Hand served a total of 500 children who were in critical need of intervention.

2008

Students Average GPA

500 2.42

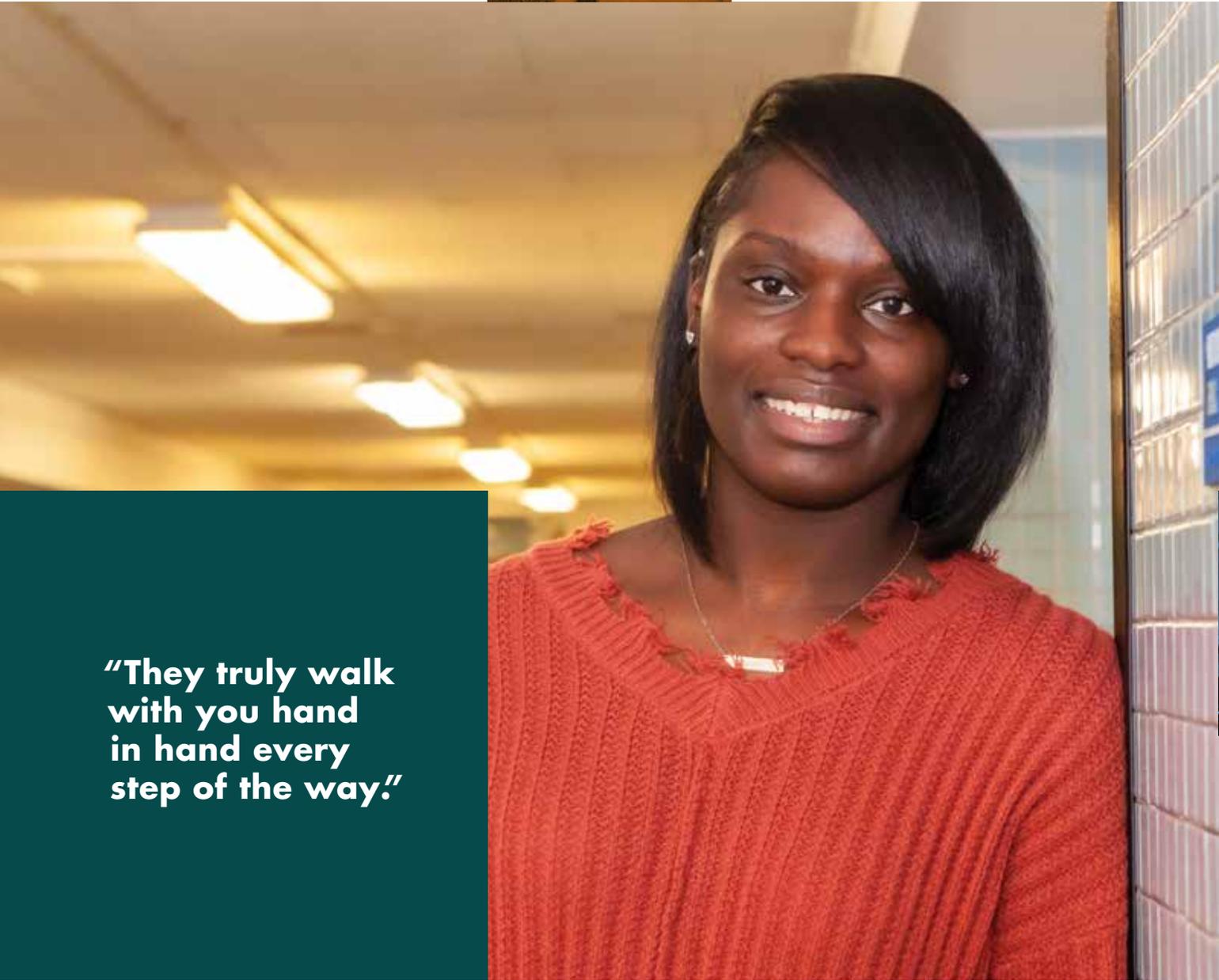
September 1, 2008

By The Hand opened its fourth location in Englewood with 88 first- to fourth-grade students

September 1, 2008

CHA extended By The Hand’s five-year lease on Lower North Center by 25 years

This resolved a long-term facility need in Cabrini-Green. While By The Hand Club had a long-standing and solid reputation with CHA, Alderman Walter Burnett was instrumental in negotiating the long lease.



“They truly walk with you hand in hand every step of the way.”

October 1, 2008

By The Hand moved to its new location in Altgeld-Murray

With the move, By The Hand expanded to serve 154 children in Altgeld-Murray. By The Hand also opened a fourth location serving 88 children in Englewood, another one of Chicago’s most under-resourced neighborhoods.

2009

Students	Average GPA
638	2.28

2010

Students	Average GPA
726	2.27

Madeja

By The Hand – Englewood, 2009

Madeja felt so many things were impossible in her life. When she brought up college to By The Hand, Madeja says, "They were like, 'Oh, you're going to college. We'll help you apply. We'll make sure you have everything you need.'"

Before long, Madeja was attending Taylor University on a full scholarship, majoring in public relations and minoring in orphans and vulnerable children. Now a recent graduate, she recalls her comfort with public speaking began when By The Hand helped her get braces. It enabled her to overcome low self-esteem, boosting her confidence and giving her a radiant smile.

It all began when Madeja attended our Spring Benefit for the first time in 2009. Afterward she boldly looked up By The Hand's phone number and called Donnita on a Saturday. The two struck up a mentoring relationship and have talked on the phone every Saturday for the past 10 years—her favorite moment of the week. They talk about the highs and lows of the week, and pray together. Other staff members call to help with classwork or send care packages.

Research shows that just one year of mentoring helps students become more resilient and do better in life. "Madeja is where she is today because of God's power," says Donnita. "But I'm so glad I answered the phone that first Saturday and didn't miss out on being in her life." Donnita frequently reminds Madeja of the verse, "I can do all things through Christ who strengthens me." Twenty years from now, Madeja dreams of giving back to By The Hand and starting a nonprofit fostering trust between citizens and the police, working closely with kids whose story is relatable to her own.



2011

Students Average GPA
767 2.35

March 2011

By The Hand celebrated its 10-year anniversary

By The Hand published *A Generation of Hope*, a book that featured stories and portraits of our students.

2012

Students Average GPA
851 2.38

January 1, 2012

Lend To The Lord Fund was established to assist families with crisis and compassion needs



Spring 2012

By The Hand's first college student graduates

Travis was the first By The Hand student who graduated from college. Majoring in business and art, he graduated with a BA from Olivet Nazarene University.

2013

Students	Average GPA
927	2.61

June 4, 2013

Opening ceremony was held for the new By The Hand facility in Austin

By The Hand kids along with dignitaries, families, friends and staff, "crossed over" from the old By The Hand – Austin building to a gleaming new \$6 million, 26,000-square-foot center, which is called the "gem of Austin." The nationally acclaimed Marching Band of Proviso East High School led the way.

The Impossible, Made Possible

As we reflect on the past 20 years, we are in awe of God and what He has done. Time and time again, we were faced with the impossible. Miracle after miracle, God provided, making the impossible possible.

For the first five years, the number of students we served nearly doubled year after year. When we outgrew a building capacity, we prayed, and God supernaturally provided at the perfect time. When we needed to expand, He brought us property, buildings, volunteers and staff in the most unexpected ways. During the economic crash of 2009 and events of 2020, He enabled our generous supporters to give sacrificially.

We are also amazed by the love and support of everyone who's been a part of our journey—people who God has used to love and nurture our kids—mind, body and soul. We've never accomplished anything by ourselves. The potential for young people to flourish has always been there.

It is God's unstoppable love that makes it possible. But He uses every surrendered heart and willing hand to share His goodness. To take kids by the hand and walk with them, from kindergarten through college. To make The Solution possible.

During the past 20 years, we have seen our kids overcome extraordinary challenges to become exceptional men and women who give back to their communities—who share the love of Christ with others. They are a testament to the power of human and divine love.

Their testimonies and what God has made possible is being shared with more people. While we didn't have any media presence in 2001, there were 442,842,990 media impressions about By The Hand in the news and social media during the 2020–2021 year. To God be the glory!

Looking ahead, we can't wait to see what God will do during the next 20 years. When we labor for God, He is faithful, accomplishing through us what we could never do on our own. Imagine what is possible with His blessing and your prayers and support.

Jesus looked at them and said, "With man it is impossible, but not with God. For all things are possible with God." Mark 10:27

2014

Students Average GPA

927 2.61

2015

Students Average GPA

1,000 2.68

August 4–11, 2015

By The Hand took three students on the club's first international missions trip to Cali, Colombia

20 Years of Unrelenting Love

Since By The Hand began 20 years ago, people like you have made it possible for us to literally and figuratively take our kids by the hand and walk alongside them. We tutor them to academic excellence. We mentor them to make wise, life-defining decisions. And we care for them as our own, providing for basic nutritional and medical needs. Paramount to this, we offer a safe, loving learning environment during the most dangerous time of day—the after-school hours, when more crimes are committed by and against youth than any other time.

So, when COVID-19 swept across the city, devastating the neighborhoods we serve, it drastically increased our mission's urgency. Over half of Chicagoans who tested positive and nearly three-quarters of those who died from its complications were black—even though they make up 30 percent of the city's population. The trauma and school shutdowns magnified the challenges and hardships our kids were already facing.

Through it all, By The Hand never stopped serving our kids and families. When countless businesses, schools and nonprofit organizations were forced to close, By The Hand never stopped. Staying on mission was more critical than ever as our kids and families relied on us more than ever. We delivered 115,294 services, addressing the needs of 35,696 individuals multiple times—including children, their families and community members. This included personal home checks, emergency care, food, rent, medical supplies—and continued learning as we engaged our kids by whatever means we had available to us.

Our in-person club remained open, and we began virtual programming to serve the kids who were housebound. The combination of in-person, virtual and homecare services enabled us to engage and support every one of the 1,454 students we served during 2020–2021. As a result of this comprehensive approach, kids continuing with our computer reading program advanced an average of one year in reading while many of their peers at school fell behind.

20 Years of Uninterrupted Progress

Darion, an eighth-grader when the pandemic hit, was very upset. "I was sad. I like going to school. I miss my friends, my teachers, my classmates. I felt depressed. And angry that I didn't get to enjoy my eighth-grade year. I had to miss my luncheon and pinning ceremony." But Evan, his team leader, continually encouraged Darion, who graduated from the eighth grade as salutatorian. "Evan checked in on me, seeing how I was doing. He came to my house with food. He even made sure I got my school project done. I got an A!"

By The Hand came up with a plan to celebrate the kids' accomplishments during the pandemic. It included hosting drive-by graduation parties, surprising students with yard signs and gift bags to celebrate their milestones. Even when students could not attend school, By The Hand continued supporting them—mind, body and soul. And because of God's provision and your faithfulness, we were able to increase the level of support we provided.

August 20, 2015

By The Hand – Moving Everest opened

Austin children, parents, friends, neighbors and public officials celebrated the opening of the \$12 million By The Hand and Moving Everest Charter School with a ribbon cutting ceremony.

This allowed kids to attend school in a safe, academically rigorous environment and—in the same building—learn about Jesus and benefit from By The Hand's wraparound services.

2016

Students

Average GPA

1,180 2.7

August 2016

By The Hand Club hosted its first Reading Playoffs

The playoffs were sponsored by Coeur Mining (2017–2020).

Rebuilding for the Next 20 Years

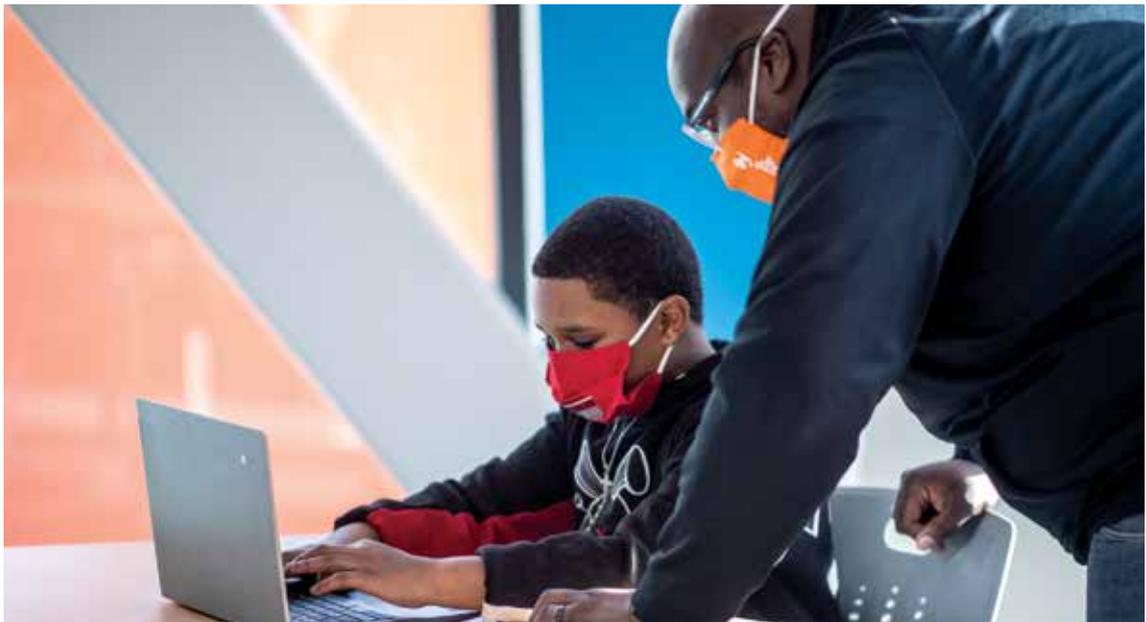
COVID-19 has caused countless setbacks for students throughout our country, triggering an increase in severe depression and anxiety among youth. Moreover, the communities we serve have been impacted disproportionately by COVID-related deaths of family and friends, loss of income and violence. Even with emergency support that By The Hand provided during the pandemic, the needs of our students have increased.

Consequently, our focus for 2021–2022 is to build our students up after a highly challenging and isolating year. To support our students with the resources they need, By The Hand has added a high school academic specialist. High school is a critical time for preparing for college, and with the aftereffects of the pandemic, our high school students need extra support academically.

We are also hiring additional social emotional learning (SEL) specialist staff. The need for SEL has always been apparent. But this need has grown due to the increased suffering and trauma during the pandemic.

We also added a senior manager of spiritual development to attend to our students' increasing spiritual and mentoring needs. Spiritual support is critical for helping kids heal and recover. Finally, we have added additional team leaders to all of our sites to make sure our children receive more personalized care in our classrooms.

With these additions, the goal is to enable our kids to recover—to make this coming year their best year ever—mind, body and soul.



2017

Students Average GPA
1,270 2.72

2018

Students Average GPA
1,360 2.73

April 2, 2018

By The Hand added a Social and Emotional Learning Specialist (SEL) at Moving Everest location

The specialist met with fourth- through sixth-graders one-on-one or in small groups. She also trained staff to implement SEL practices and create a trauma-informed culture.

A Generation Ready to Soar



With the opening of the By The Hand – Moving Everest middle school in 2020, we enrolled 90 more students. And we just added 90 more students for the 2021–2022 school year.

The addition of the middle school was mission-critical. The elementary school was at capacity, and middle school is a crucial time for kids. Fortunately, with the middle school, By The Hand – Moving Everest students who graduate from elementary school can continue learning in a safe, academically rigorous environment during school hours. Then, in the same building, they can learn about Jesus and benefit from our holistic care during the after-school hours.

By the time they graduate from middle school, they will be equipped to excel at one of Chicago’s best high schools. From there, they will be

prepared to attend a college, university or trade school of their choice.

As with our 50,000-square-foot elementary school facility, By The Hand leases the 30,000-square-foot middle school building to Moving Everest Charter School, a separate 501(c)(3) organization. Combined, the elementary and middle-school facilities will eventually accommodate up to 810 students from kindergarten through eighth grade.

The combination also completes our By The Hand charter school model for Austin. Thanks to your ongoing support, By The Hand will continue to walk alongside them throughout their journey, from kindergarten through college, loving and supporting them mind, body and soul.

2019

Students

Average GPA

1,523 3.04

January 7, 2019

By The Hand launched its social justice program

By The Hand launched a social justice curriculum with the Chicago Bears and Chicago Police Department that included an eight-week curriculum, a field trip to the Chicago Police Academy and a Collaborative Community Action Project in our four By The Hand Club neighborhoods.

February 1, 2019

By The Hand – Cabrini-Green facility is renovated

The Chicago Housing Authority completed a \$6 million renovation of the By The Hand – Cabrini-Green facility.

Bringing Possible to More Kids

Austin, which includes North and South Austin, is the largest neighborhood in Chicago—geographically and in terms of population. To reach more children, By The Hand has begun construction for its sixth site.

As a holistic, after-school program that emphasizes academic excellence, we are always looking to increase our impact on kids. We had an opportunity to do this in North Austin, using sports as a way to build character, reduce risky behavior and improve academic and spiritual development—while partnering with Grace and Peace Revive Center and Intentional Sports.

During our groundbreaking ceremony on August 11, 2021, we praised God for His goodness. We also asked for His continued leading as we construct the Foglia Family Center, a 150,000-square-foot sport, education and wellness facility. It will be on a 10-acre campus that includes Chicago's largest indoor turf arena for year-round indoor sports with

multiple other indoor and outdoor sports fields and courts. Adjacent to the Center will be our next By The Hand Club For Kids, named in honor of William and Nora Bolthouse.

At capacity, the By The Hand – North Austin club will enable us to serve 400 more kids from kindergarten through twelfth grade. Intentional Sports, a charitable, nonprofit organization, will provide professional sports coaching and training—and 100 free community hours weekly for children and families. In addition, from its home on this campus, Grace and Peace Revive Center will provide spiritual guidance and wraparound services for the families of students attending By The Hand.

We are excited about opening during the fall of 2022 and the lives that will be transformed. The opportunity for youth and their families to participate in sports, education and other enriching activities will provide the foundation for a stronger, healthier and safer community. And with God, everything is possible.



October 5, 2019

By The Hand broke ground for Austin middle school facility

The property for the new By The Hand – ME middle school was purchased from four adjacent land owners, including a church that relocated to new church building that was built by By The Hand Club. The 30,000-square-foot middle school addition will eventually serve 270 sixth- through eighth-graders.

2020

Students

Average GPA

6,000 3.07

Over the last 20 years

March 17, 2020

Schools were closed due to COVID-19, but love kept moving

The pandemic, economic shutdown and closure of schools did not alter the mission of helping kids from under-resourced neighborhoods experience abundant life by loving them—mind, body and soul.

Being the Solution



Austin Harvest, our youth-led, open-air market, reopened its doors on June 21, 2021. Working with The Hatchery, a local food and beverage incubator, By The Hand high school students operated the market, providing the community with fresh fruits, vegetables and flowers. In the process, they gained invaluable experience in running a successful, sustainable business, with many becoming very business minded. To enable Austin Harvest to remain open year-round and extend the time our kids can run the business, By The Hand is constructing a permanent structure, breaking ground during the fall of 2021.

Nearly \$700,000 for the permanent structure was raised with the help of Athletes for Justice, led by friend and supporter Sam Acho, during a 24-hour radiothon on 670 The Score. The concept for the pop-up market originated after Acho and other pro athletes led youth listening circles following the 2020 riots. The kids

expressed frustration about the lack of grocery stores in the area, with the few existing stores closing after being looted. After learning that Austin had 17 liquor stores but only 2 food marts in a half-mile radius, Acho and 21 local athletes raised and donated \$500,000 to acquire and convert the Belmonte Cut Rate Liquors to a pop-up food market. This is just another example of God making the impossible possible through the generosity of others.



May 14, 2020

A 10-week food giveaway program fed Austin

By The Hand partnered with Austin Coming Together (ACT) as part of the city's COVID-19 Racial Equity Response Program—handing out 1,000 care boxes containing 75,000 pounds of fresh fruit and vegetables, frozen meat and groceries from the By The Hand parking lot in Austin.

July 7, 2020

Change began by addressing Austin's food insecurity

Demolition began to replace Belmonte Cut Rate Liquors on North Laramie Avenue with a fresh food market that would sell fruits and vegetables, addressing Austin's food insecurity. Located adjacent to By The Hand — Austin, the market is operated by our high school students.

2021

Students

1,454

Average GPA

2.7

Celebrating Another Year of Love— Mind, Body and Soul

By The Hand has always emphasized a holistic approach to child development, with measurable academic, physical and spiritual growth goals. So, when Chicago Public Schools closed due to the pandemic, we added virtual access and an extensive array of services to our in-person programming.

This helped keep our kids moving forward when 30–40 percent of minority students from under-resourced neighborhoods weren't learning during lockdowns, according to McKinsey & Company. In contrast, our students' participation in the Lexia Core5 Reading program enabled them to continue moving forward in reading.

Additionally, over the past 20 years, 81 percent of students who've been enrolled in By The Hand for at least 1 year indicated they had accepted Jesus Christ as their Lord and Savior—the foundation for an abundant life.

By The Hand Program Goals

MIND

- Meet or exceed state standards in reading and math
- Pass all classes, preferably making all ABCs
- Participate in our virtual program*
- Participate and grow in Lexia Core5 online reading

BODY

- Eat a healthy and nutritious dinner
- Have a regular physical and immunizations
- Receive regular dental and eye exams and, if necessary, follow-up treatment
- Receive professional counseling, as needed

SOUL

- Profess faith in Christ
- Attend church—virtually or in person

*Added in response to school closures

Student Impact 2020–2021

37,962
safe passages to and from
our clubs on school buses

22,341
student hours in chapel
and Bible study

45
kids provided counseling for
anger, trauma and grief

22,653
student or parent
wellness checks

Mind



- **83%** Passed all of their classes
- **67%** Made all ABCs
- **2.70** Average GPA (out of 4.0)

Body

1,454
Students offered a
hot, nutritious meal
every day

866
Students received dental
checkups and cleaning
(195 received additional
dental care)

804
Students received
eye exams
(386 received
eye glasses)

Soul

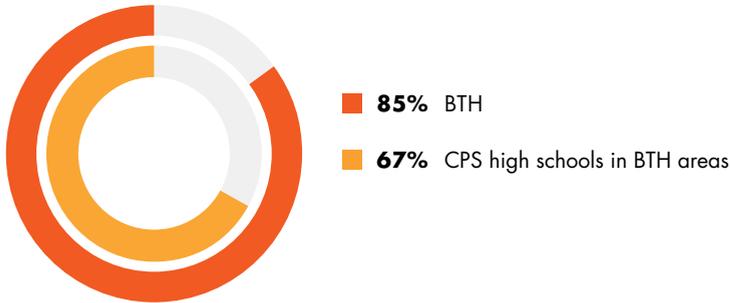


- **78%** Professed faith (Q4 to Q4)
- **31%** Attended church (Q4 to Q4)*

*Students enrolled at least 1 year

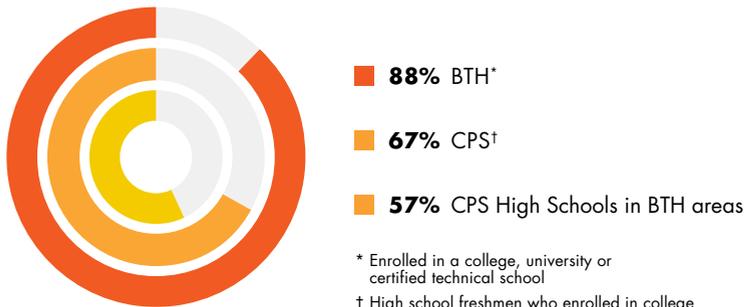
High school freshmen who graduate from high school

High school graduation rates since BTH first had graduates (2008-2021)

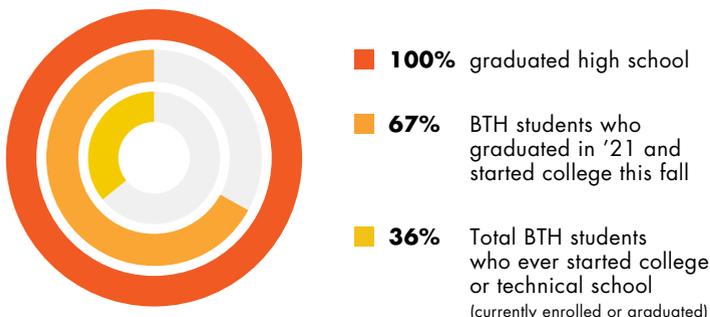


High school graduates who enroll in college and technical school

Matriculation rates since BTH first had college students (2008-2021)

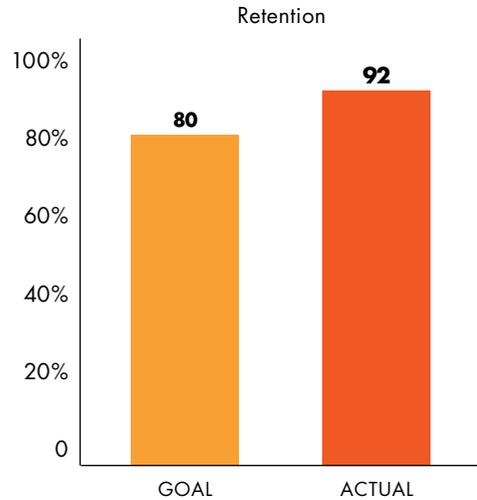


BTH high school graduation 2020-2021 and college persistence



Club Retention

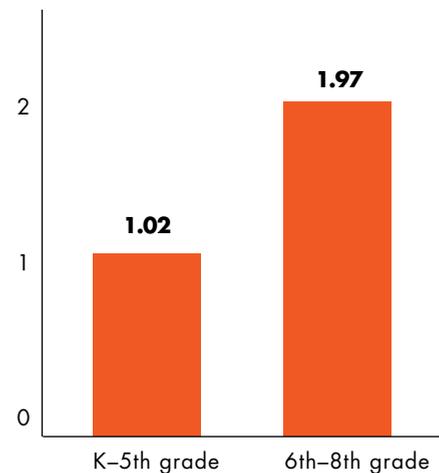
From Q1 to Q4



Reasons for Disenrollment: 79% parent removed because of COVID-19, 17% moved, 4% all other reasons

Technology-enabled, blended learning program (Lexia Core5 Reading) 2020-2021

Grade Level Growth*



*of those who used at least 1000 minutes

20 Years of Love Where the Need Is Greatest

By The Hand has grown from 16 kids from Cabrini-Green to 5 clubs strategically located in 4 of the most under-resourced neighborhoods in Chicago—to be 6 clubs next year. To reach kids with the greatest needs, we serve in neighborhoods that have some of the city’s lowest academic-performing schools. These areas are also where the pandemic and aftermath of the 2020 riots have left the deepest scars.

Our district clubs in Altgeld-Murray, Austin, Cabrini-Green and Englewood are at capacity, serving kids from first through twelfth grade. With the new middle school facility, By The Hand – Moving Everest in Austin has enrolled 90 more students for the 2021–2022 year.

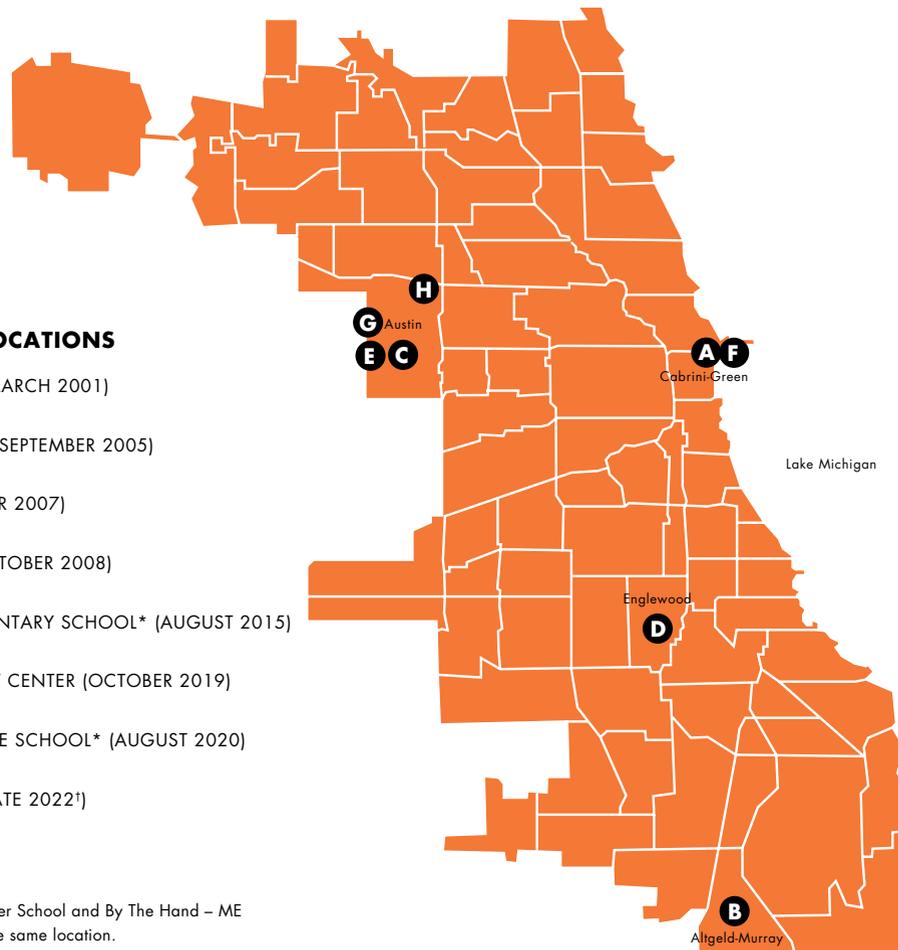
To serve more children and families in Austin, we broke ground on August 11 with plans to open another By The Hand facility in North Austin during the fall of 2022. This site will enable us to serve 400 kids from kindergarten through twelfth grade. God willing, we will be serving 2,000 kids annually by 2022, across all club locations.

BY THE HAND LOCATIONS

- A** CABRINI-GREEN (MARCH 2001)
- B** ALTGELD-MURRAY (SEPTEMBER 2005)
- C** AUSTIN (SEPTEMBER 2007)
- D** ENGLEWOOD (OCTOBER 2008)
- E** ME/AUSTIN ELEMENTARY SCHOOL* (AUGUST 2015)
- F** ICITY ENRICHMENT CENTER (OCTOBER 2019)
- G** ME/AUSTIN MIDDLE SCHOOL* (AUGUST 2020)
- H** NORTH AUSTIN (LATE 2022†)

*The Moving Everest Charter School and By The Hand – ME are separate entities at the same location.

† Projected

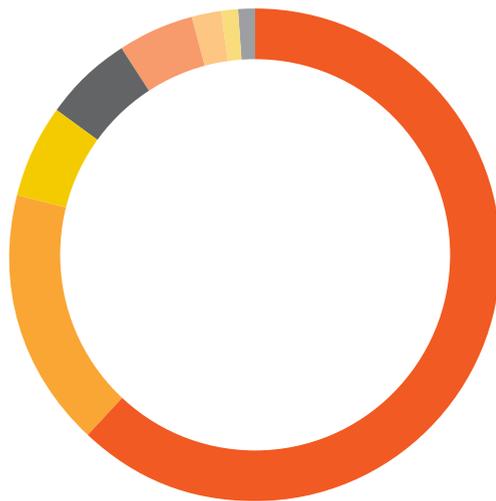


20 Years in the Black

Praise God! We completed our 20th consecutive fiscal year with a balanced budget of nearly \$11 million in 2020–2021. Also, Charity Navigator awarded us a rare 100 percent trust rating for financial reporting and accountability. This places By The Hand in the top one percent of all nonprofits rated by them. It confirms that we have operated with the highest standards as we finished every year in the black while growing by double digits.

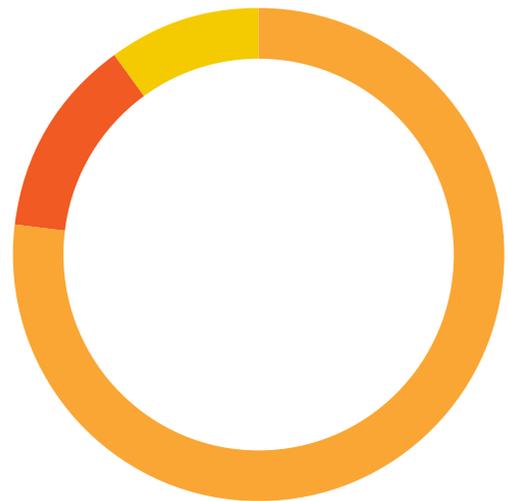
To provide holistic care for each child, we prioritize programming and minimize fundraising and administrative expenses. But as an independent 501(c)(3) nonprofit organization that is not endowed, we can only serve as many kids as allowed by the generosity of others. We are thankful for everyone who helped raise more than \$2 million during our Day of Prayer and Commitment, held in lieu of the Spring Benefit. And we are grateful for everyone who has given sacrificially throughout the year. It's people like you who make The Solution possible.

UNRESTRICTED OPERATING REVENUE BY SOURCE



- **62%** INDIVIDUALS
- **17%** CORPORATIONS
- **6%** FOUNDATIONS
- **6%** RENT
- **5%** RELEASE FROM RESTRICTIONS
- **2%** CHURCHES
- **1%** GOVERNMENT
- **1%** OTHER

FUNCTIONAL EXPENSES



- **76%** PROGRAM SERVICES
- **14%** FUNDRAISING
- **10%** GENERAL AND ADMINISTRATIVE

Statements of Financial Position August 31, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 4,856,404	\$ 5,650,610
Prepaid expenses and other	222,164	194,750
Property and equipment, net	34,141,554	30,906,291
Total assets	\$ 39,220,122	\$ 36,751,651
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 231,230	\$ 1,078,438
Accrued payroll expenses	246,735	235,437
Deferred revenue	126,100	107,500
Construction loan	—	6,300,000
Note payable	2,161,378	2,253,706
Total liabilities	2,765,443	9,975,081
Net assets:		
Without donor restrictions	29,373,629	23,064,428
With donor restrictions	7,081,050	3,712,142
Total net assets	36,454,679	26,776,570
Total liabilities and net assets	\$ 39,220,122	\$ 36,751,651

See accompanying notes to financial statements.

Statements of Activities Years ended August 31, 2021 and 2020

	2021	2020
Changes in net assets without donor restrictions:		
Operating:		
Revenue:		
Contributions	\$ 9,280,293	\$ 7,999,273
Donated goods and services	100,000	100,000
Government grant - Paycheck Protection Program	—	1,055,620
Other government grants	154,496	368,686
Rental income	666,300	450,750
Other income	683,264	437,558
Net assets released from restrictions	546,672	790,727
Total operating revenue	11,431,025	11,202,614
Expenses:		
Program services	8,143,614	7,624,261
General and administrative	1,062,661	993,753
Fundraising	1,497,381	1,243,070
Total operating expenses	10,703,656	9,861,084
Excess of operating revenue over expenses	727,369	1,341,530
Nonoperating changes in net assets without donor restrictions:		
Net assets released from restrictions	6,241,948	5,822,744
Amortization of capital gifts used to construct long-lived assets	(660,116)	(434,313)
Increase in net assets without donor restrictions	6,309,201	6,729,961
Changes in net assets with donor restrictions:		
Contributions	10,157,528	6,404,821
Net assets released from restrictions	(6,788,620)	(6,613,471)
Increase (decrease) in net assets with donor restrictions	3,368,908	(208,650)
Increase in net assets	9,678,109	6,521,311
Net assets at beginning of year	26,776,570	20,255,259
Net assets at end of year	\$ 36,454,679	\$ 26,776,570

See accompanying notes to financial statements.

Statements of Cash Flows Years ended August 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 9,678,109	\$ 6,521,311
Adjustments to reconcile change in net assets to net cash provided by operating activities—		
Depreciation	921,321	689,406
Contributions restricted for long-term investment	(2,266,027)	(5,568,722)
Changes in operating assets and liabilities:		
Prepaid expenses and other	(27,414)	147,795
Accounts payable	(847,208)	57,254
Accrued payroll expenses	11,298	44,716
Deferred revenue	18,600	(13,756)
Net cash provided by operating activities	7,488,679	1,878,004
Cash flows used in investing activities:		
Cash paid for property and equipment	(4,156,584)	(10,536,388)
Net cash used in investing activities	(4,156,584)	(10,536,388)
Cash flows provided by financing activities:		
Proceeds from contributions restricted for long-term investment	2,266,027	5,568,722
Proceeds from construction loan	—	6,300,000
Payments on construction loan	(295,457)	—
Payments on note payable	(6,096,871)	(69,995)
Net cash provided by (used in) financing activities	(4,126,301)	11,798,727
Net increase in cash and cash equivalents	(794,206)	3,140,343
Cash and cash equivalents at beginning of year	5,650,610	2,510,267
Cash and cash equivalents at end of year	\$ 4,856,404	\$ 5,650,610
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 263,203	\$ 80,633
Unrelated business income taxes	8,217	4,423
	271,420	85,056
Non-cash investing and financing activities:		
Property acquired through accounts payable	\$ —	\$ 684,376

See accompanying notes to financial statements.

Statement of Functional Expenses Year ended August 31, 2021

	SUPPORTING SERVICES			TOTAL 2021
	PROGRAM SERVICES	GENERAL & ADMINISTRATIVE	FUNDRAISING	
Compensation, benefits and taxes				
Salaries and wages	\$ 3,647,067	\$ 368,779	\$ 822,008	\$ 4,837,854
Benefits	347,337	23,507	84,264	455,108
Payroll taxes	240,663	12,377	57,378	310,418
Total salaries and wages, benefits and payroll taxes	4,235,067	404,663	963,650	5,603,380
Insurance	116,852	24	—	116,876
Printing	37,036	21,791	22,404	81,231
Telephone and internet	107,531	8,247	8,280	124,058
Supplies	13,449	2,727	5,195	21,371
Building and equipment repair and maintenance	497,449	4,517	—	501,966
Utilities	237,803	19,413	—	257,216
Training	108,229	15,021	1,344	124,594
Transportation	387,849	696	4,416	392,961
Non-capital equipment and software	193,762	2,260	31,071	227,093
Rent	120,165	8,737	—	128,902
Meals - students	100,002	—	—	100,002
Meals - staff	5,242	55	2,261	7,558
Curriculum	4,797	—	—	4,797
Benevolence	150,669	—	—	150,669
Academic evaluation	19,405	—	—	19,405
Publicity	24,610	21,032	31,962	77,604
Children's and other special events	136,558	28,341	74,765	239,664
Memberships	445	—	3,395	3,840
Postage	398	6,420	1,987	8,805
Legal fees	944	73,044	—	73,988
Professional fees	306,739	362,118	318,803	987,660
Bank charges	550	46,480	91	47,121
Volunteer support	4,099	4,873	24	8,996
Travel	5,086	—	3,093	8,179
College scholarships	33,532	—	—	33,532
School and college resources	43,031	446	446	43,923
Interest	233,576	—	—	233,576
Other	97,418	31,756	24,194	153,368
Depreciation	921,321	—	—	921,321
Total expenses	\$ 8,143,614	\$ 1,062,661	\$ 1,497,381	\$ 10,703,656

See accompanying notes to financial statements.

Statement of Functional Expenses Year ended August 31, 2020

	SUPPORTING SERVICES			TOTAL 2020
	PROGRAM SERVICES	GENERAL & ADMINISTRATIVE	FUNDRAISING	
Compensation, benefits and taxes				
Salaries and wages	\$ 3,700,826	\$ 335,526	\$ 725,314	\$ 4,761,666
Benefits	362,911	32,415	65,494	460,820
Payroll taxes	268,167	20,697	50,674	339,538
Total salaries and wages, benefits and payroll taxes	4,331,904	388,638	841,482	5,562,024
Insurance	105,986	—	—	105,986
Printing	30,466	27,897	31,164	89,527
Telephone and internet	97,333	9,270	7,260	113,863
Supplies	15,209	1,839	1,668	18,716
Building and equipment repair and maintenance	346,566	11,768	259	358,593
Utilities	231,058	14,683	—	245,741
Training	76,151	5,872	273	82,296
Transportation	387,303	298	5,642	393,243
Non-capital equipment and software	151,413	3,799	33,879	189,091
Rent	126,580	50,000	—	176,580
Meals - students	245,523	—	—	245,523
Meals - staff	1,469	12	1,661	3,142
Curriculum	6,831	—	—	6,831
Benevolence	205,497	—	72	205,569
Academic evaluation	22,263	—	—	22,263
Publicity	228	707	5,086	6,021
Children's and other special events	93,210	10,603	—	103,813
Memberships	1,182	96	3,888	5,166
Postage	381	4,552	4,232	9,165
Legal fees	—	127,566	—	127,566
Professional fees	245,106	276,271	304,079	825,456
Bank charges	100	32,920	—	33,020
Volunteer support	1,906	2,441	—	4,347
Travel	5,502	1,236	2,425	9,163
College scholarships	32,033	—	—	32,033
School and college resources	26,011	—	—	26,011
Interest	110,260	—	—	110,260
Other	37,384	23,285	—	60,669
Depreciation	689,406	—	—	689,406
Total expenses	\$ 7,624,261	\$ 993,753	\$ 1,243,070	\$ 9,861,084

See accompanying notes to financial statements.

INDEPENDENT AUDITORS' REPORT

Board of Directors

By The Hand Club For Kids

We have audited the accompanying financial statements of By The Hand Club For Kids, which comprise the statements of financial position as of August 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of By The Hand Club For Kids as of August 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Paul J. Smit & Associates

Paul J. Smit & Associates
November 8, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(A) DESCRIPTION OF ORGANIZATION**

By The Hand Club For Kids (By The Hand) is a faith-based, after school program that helps children have a new and abundant life by nurturing the whole child – mind, body and soul. For the mind, By The Hand has homework help, tutoring, language and reading literacy programs. For the body, By The Hand provides health education and access to health services, as well as a meal program. For the soul, By The Hand teaches and models Biblical truths.

Significant accounting policies followed by By The Hand are described in the paragraphs that follow.

(B) BASIS OF PRESENTATION

The financial statements of By The Hand have been prepared in accordance with the U.S. generally accepted accounting principles (GAAP), which requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classification of balances into two classes of net assets – without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category follow:

- Without Donor Restrictions – net assets that are not subject to donor-imposed restrictions. Items that affect this category principally consist of contributions not subject to donor-imposed restrictions and all expenses incurred in connection with the activities of By The Hand. In addition, changes in this category of net assets include investment income whose use is unrestricted, restricted contributions whose donor-imposed restrictions were met during the fiscal year, as well as previously restricted gifts for buildings and equipment that have been placed in service.
- With Donor Restrictions – net assets subject to donor-imposed restrictions that will be met either by actions of By The Hand or the passage of time. Items that affect this category are contributions for which donor-imposed restrictions have not been met in the year of receipt, including gifts for buildings and equipment not yet placed in service. Expirations of restrictions on net assets with donor restrictions, including reclassification of restricted gifts for buildings and equipment when the associated long-lived asset is placed in service, are reported as net assets released from restrictions.

Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by By The Hand. Items that affect this category include contributions wherein donors stipulate that the corpus of the gift be held in perpetuity and only the income be made available for program operations. By The Hand currently does not have any net assets where the corpus of the donor gift is required by the donor to be held in perpetuity.

(C) OPERATIONS

Operating results in the statements of activities reflect all transactions increasing or decreasing net assets without donor restrictions except those items associated with long-term investment, unamortized capital gifts associated with the acquisition or construction of long-lived assets placed in service, releases of restrictions on donor gifts restricted for debt repayment, and other infrequent transactions. Operating results also include a reclassification associated with amortization of capital gifts placed in service, as described below.

(D) CAPITAL GIFTS TO ACQUIRE OR CONSTRUCT LONG-LIVED ASSETS

Capital gifts to acquire or construct a long-lived asset are recorded as a donor restricted gift until the related asset is placed in service, at which

time the capital gift is released from net assets with the related asset is placed in service, at which time the capital gift is released from net assets with donor restrictions to net assets without donor restrictions and subsequently amortized into operations over the estimated useful life of the acquired or constructed asset. This amortization, which amounted to \$660,116 and \$434,313 in fiscal years 2021 and 2020, respectively, is recorded as a reclassification between the non-operating and operating sections of the change in net assets without donor restrictions in the statements of activities as other income and amortization of capital gifts used to construct long-lived assets.

(E) CONTRIBUTIONS AND GRANTS

Contributions received without donor stipulations are reported as increases in net assets without donor restrictions. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift. Contributions received with a donor stipulation that limits their use are reported as increases in net assets with donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue from government grants, which are generally considered non-exchange transactions, is recognized when qualifying expenditures are incurred and conditions under the agreements are met. Payments received in advance of conditions being met are recorded as deferred revenue on the statements of financial position.

(F) RENTAL INCOME

Rental income is recorded when earned. Rental income is primarily from a charter school, Chicago Education Partnership, which is leasing By The Hand's Moving Everest-Austin facility during school hours. At the close of school each day, parents may choose to have their children attend By The Hand Club, which provides wrap-around holistic services after school, including tutoring, social activities and spiritual guidance.

(G) CONTRIBUTED SERVICES

A substantial number of unpaid volunteers, including members of the Board of Directors and The Moody Church, have made significant contributions of their time to the By The Hand policy-making, program and support functions. The value of this contributed time does not meet the criteria for recognition of contributed services defined by professional accounting standards, and, accordingly, is not reflected in these financial statements.

(H) FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are recorded when the obligation is incurred. The costs of providing various program and supporting activities have been summarized on a functional basis in the accompanying statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as estimates of time and effort.

(I) FAIR VALUE

Fair value is defined as the price that By The Hand would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants. By The Hand uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the assets and liabilities based on market data obtained from sources

independent of By The Hand. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

- Level 1 – quoted market prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability, including model-based valuation techniques.
- Level 3 – valuation techniques for the asset or liability that use significant inputs that are unobservable because they trade infrequently or not at all.

(i) Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash equivalents are considered Level I in the fair value hierarchy.

(ii) Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Expenditures for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost. Acquisitions of property and equipment in excess of \$5,000 are generally capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, ranging from 25 to 40 years for buildings and building improvements, 2 to 6 years for vehicles, and 3 to 15 years for furniture and equipment.

Building repair and maintenance costs for facilities leased by By The Hand, where the lease is short-term in nature or where the leases can be cancelled by the lessee or lessor at any time, are expensed as incurred and not capitalized and depreciated because they are not deemed to have any realizable, long-term economic value to By The Hand. For owned facilities and those subject to long-term leases, building repair and maintenance costs that increase the value or estimated useful life of such facilities are capitalized and depreciated over their estimated useful lives. Building repair and maintenance costs that do not increase the value or estimated useful life of such facilities are expensed as incurred.

(iii) Notes Payable

The carrying value of long-term debt does not differ materially from its estimated fair value based on quoted market prices for the same or similar issues.

(iv) All Other Assets and Liabilities

The carrying values of all other assets and liabilities do not differ materially from their estimated fair value.

(J) INCOME TAXES

By The Hand is a not-for-profit organization. By The Hand has received a determination letter from the Internal Revenue Service indicating that it is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, except for income taxes pertaining to unrelated business income. A provision of approximately \$8,180 and \$8,235 has been made for income taxes in the accompanying financial statements for the years ended August 31, 2021 and 2020, respectively, related to certain unrelated business activities.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken and recognize a tax liability (or asset) if the organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken and has concluded that as of August 31, 2021 and 2020, there are no uncertain income tax positions that would require recognition of a liability (or asset) or disclosure in the financial statements. By the Hand has filed income tax returns through the year ended August 31, 2020, and believes it is no longer subject to income tax examination for years prior to the year ended August 31, 2017.

(K) USE OF ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles requires that management make estimates and assumptions related to the reporting of assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the period. Actual results may differ from those estimates.

(L) RECLASSIFICATIONS

Certain 2020 amounts have been reclassified to conform to the 2021 financial statement presentation.

(M) COVID-19 RISKS

In December 2019, a novel strain of coronavirus (COVID-19) surfaced resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020 and characterized as a pandemic in March 2020. The extent to which the coronavirus may impact By The Hand's business activity or financial results will depend on future developments.

(N) RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02, Leases. ASU 2016-02 requires entities to recognize a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not changed significantly from previous generally accepted accounting principles. Entities will also be required to present additional disclosures regarding the nature and extent of leasing activities. The effective date for this standard has been delayed for non-public business entities to annual reporting periods beginning after December 15, 2021. The requirements of this statement are effective for By The Hand for the year ending August 31, 2023. Management is currently evaluating this new accounting standards and its potential impact on the financial statements of By The Hand.

(2) PROPERTY AND EQUIPMENT

Property and equipment at August 31, 2021 and 2020 consisted of the following:

	2021	2020
Building and building improvements	\$ 27,609,779	\$ 27,591,017
Land	4,131,864	3,808,084
Vehicles	121,671	101,671
Furniture and equipment	1,632,598	1,521,006
Construction in progress	400,179	279,372
Other property and equipment	4,574,643	1,013,000
	38,470,734	34,314,150
Less accumulated depreciation	(4,329,180)	(3,407,859)
Property and equipment, net	\$ 34,141,554	\$ 30,906,291

Amounts reported above as other property and equipment consist of assets acquired by By The Hand which were contributed to North Austin Community Center, a newly formed not-for-profit organization, subsequent to August 31, 2021, as described in Note 14.

(3) LINE OF CREDIT

By The Hand maintains a secured line of credit which expires February 28, 2022. The line of credit has a borrowing limit of \$2,000,000. Interest on the line varies with an independent index which is the Wall Street Journal Prime Rate and is payable monthly. As of August 31, 2021 and 2020, the interest rate on the line was 3.25%. There were no borrowings under the line of credit and no interest paid during the years ended August 31, 2021 and 2020. The line of credit is secured by a Mortgage and Assignment of Rents to the lender on real property commonly known as 415 North Laramie Avenue, Chicago, Illinois.

(4) CONSTRUCTION LOAN/NOTE PAYABLE

As discussed further in Note 11, during the year ended August 31, 2020, By The Hand completed an expansion of a building it owns in the Austin neighborhood of Chicago. The building expansion was funded through restricted gifts from a capital campaign and bank financing. By The Hand signed a promissory note with a financial institution in October 2019, that allowed for borrowings up to \$6,300,000. Interest on the promissory note varied with an independent index which is the Wall Street Journal Prime Rate and is payable monthly. As of August 31, 2020, the interest rate was 3.50%. Outstanding borrowings on the construction loan as of August 31, 2020 were \$6,300,000. Interest incurred on the promissory note during the year ended August 31, 2020 was \$126,500 and was capitalized as part of the building project. The promissory note expired on October 8, 2020, at which time the principal balance of \$6,004,543 was converted to a five-year mortgage with a twenty-year amortization and a fixed interest rate of 4.50%. The promissory note was paid in full during the year ended August 31, 2021. Interest incurred on the promissory note during the year ended August 31, 2021 was \$135,583. The construction loan and note payable were secured to the lender by a Mortgage and Assignment of Rents dated October 8, 2019 on real property commonly known as 416 North Laramie Avenue, Chicago, Illinois, an Assignment of Deposit Account dated March 31, 2019 for collateral, an Assignment of Construction Contract dated October 8, 2019, and an Assignment of Architect's Contract dated October 8, 2019, all granted by By The Hand.

(5) NOTE PAYABLE

In order to refinance a construction promissory note prior to its expiration,

By The Hand signed a note payable in February 2016 for \$6,500,000 with a financial institution. The note payable bore interest at a fixed rate of 4.75%, required monthly principal and interest payments, and expired on February 23, 2021. Upon its expiration, the note was converted at its then current balance of \$2,232,327 for a five-year term mortgage with a twenty-year amortization and a fixed interest rate of 3.95%. Principal and interest payments are payable monthly.

Principal payments are due under the note payable as follows:

Years ended August 31:

2022	\$	113,879
2023		118,460
2024		123,225
2025		128,181
2026		1,677,633
Total	\$	2,161,378

Interest expense incurred under the note payable for the years ended August 31, 2021 and 2020 was \$97,993 and \$110,260, respectively.

The original and converted note is secured to the lender by a Mortgage and Assignment of Rents on real property commonly known as 416 North Laramie Avenue, Chicago, Illinois, and a Commercial Security Agreement and a Mortgage and Assignment of Rents to the lender on real property commonly known as 415 North Laramie Avenue, Chicago, Illinois, and a Commercial Security Agreement, all for collateral granted by By The Hand Club.

(6) PAYCHECK PROTECTION PROGRAM LOAN

During the year ended August 31, 2020, By the Hand received a Paycheck Protection Program (PPP) loan of \$1,055,620 granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). PPP loans are considered conditional contributions, with a right-of return in the form of an obligation to be repaid if a barrier to entitlement is not met. The barrier is that PPP loan funds must be used to maintain compensation costs and employee headcount, and other qualifying expenses (mortgage interest, rent and utilities) incurred following receipt of the funds. By the Hand recognized the amount received as government grant revenue during 2020 as qualified expenses occurred/barriers to entitlement were met. Application for forgiveness of the loan was made on July 1, 2020, with inclusion of compliance substantiation and certification therein. On November 3, 2020, By The Hand received notice of forgiveness of the entire loan amount from the lender.

(7) CONCENTRATIONS

During the years ended August 31, 2021 and 2020, By The Hand maintained deposits in excess of federally insured limits. Statement of Financial Accounting Standards No. 105 identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. As of August 31, 2021 and 2020, cash deposits exceeded federally insured limits by \$3,918,900 and \$4,816,514, respectively. The risk was managed by maintaining all deposits in high quality financial institutions.

During fiscal year 2021, By The Hand received 28% of total contributions from 6 donors. During fiscal year 2020, By The Hand received 42% of total contributions from 7 donors. Contributions include both contributions without donor restrictions which were used for operations and contributions with donor restrictions (Note 8), a significant amount of which were received in conjunction with capital campaigns and debt repayment.

Notes to Financial Statements: August 31, 2021 and 2020

(8) NET ASSETS WITH DONOR RESTRICTIONS

Changes in net assets with donor restrictions during the year ended August 31, 2021 were as follows:

	AUGUST 31, 2020	CONTRIBUTIONS	NET ASSETS RELEASED FROM RESTRICTIONS	AUGUST 31, 2021
College student assistance	\$ 20,505	\$ 16,500	\$ (33,427)	\$ 3,578
Lend to the Lord Fund	4,793	34,366	(33,636)	5,523
Benevity Fund	7,175	37,272	(44,447)	—
COVID-19 grants	29,669	19,021	(14,773)	33,917
Special projects	—	311,394	(297,481)	13,913
Debt repayment	—	5,891,948	(5,891,948)	—
BET grant	—	75,000	(75,000)	—
Time restricted – future operations	—	500,000	—	500,000
Capital campaign – ME Expansion	—	350,000	(350,000)	—
Capital campaign – North Austin	3,650,000	2,125,165	(41,908)	5,733,257
Capital campaign – North Austin Club	—	140,862	—	140,862
Capital campaign – NXT Pop-up Fresh Market	—	656,000	(6,000)	650,000
	\$ 3,712,142	\$ 10,157,528	\$(6,788,620)	\$ 7,081,050

Changes in net assets with donor restrictions during the year ended August 31, 2020 were as follows:

	AUGUST 31, 2019	CONTRIBUTIONS	NET ASSETS RELEASED FROM RESTRICTIONS	AUGUST 31, 2020
College student assistance	\$ 8,957	\$ 43,500	\$ (31,952)	\$ 20,505
Lend to the Lord Fund	7,813	44,300	(47,320)	4,793
Benevity Fund	—	7,175	—	7,175
COVID-19 grants	—	176,524	(146,855)	29,669
Capital campaign – ME Expansion	2,404,022	3,418,722	(5,822,744)	—
Capital campaign – North Austin	1,500,000	2,150,000	—	3,650,000
Capital campaign – NXT Pop-up Fresh Market	—	564,600	(564,600)	—
	\$ 3,920,792	\$ 6,404,821	\$(6,613,471)	\$ 3,712,142

Net asset amounts reported as Capital campaign – North Austin in the tables above consist of assets acquired by By The Hand which were contributed to North Austin Community Center, a newly formed not-for-profit organization, subsequent to August 31, 2021, as described in Note 14.

(9) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of August 31, 2021 and 2020, financial assets and liquidity resources available within one year for general expenditure, that is, without donor or other restriction limiting their use, are as follows:

	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 2,355,576	\$ 2,539,916
Prepaid expenses and other assets	106,908	111,237
Total financial assets available within one year	2,462,484	2,651,153
Liquidity resources:		
Bank line of credit	2,000,000	2,000,000
Total financial assets and liquidity resources available within one year	\$4,462,484	\$ 4,651,153

By The Hand's cash flows have seasonal variations during the year attributable to specific fundraising campaigns and donor appeals, and a concentration of contributions received at calendar and fiscal year-end. As described in Note 3, to manage liquidity, By The Hand maintains a line of credit that can be drawn upon as needed during the year to manage cash flows. As of August 31, 2021 and 2020, there were no outstanding borrowings under this line of credit.

(10) RELATED PARTY ACTIVITY

During each of the years ended August 31, 2021 and 2020, The Moody Church made contributions from its general operating fund of \$100,000 to By The Hand. Members of The Moody Church can designate gifts for By The Hand through member envelope giving to The Moody Church. During the years ended August 31, 2021 and 2020, The Moody Church received gifts designated for By The Hand of \$35,411 and \$23,889 respectively, and in turn remitted these amounts in full to By The Hand.

Chicago Education Partnership established Moving Everest Charter School, a tuition-free public charter school that dramatically transforms the lives of K-8 students and prepares them for success in college and in life through the delivery of a rigorous and personalized academic program, a focus on holistic education and the development of strong character. By The Hand and Chicago Education Partnership are working together in the Austin neighborhood of Chicago to deliver a synergistic program that meets students' academic, social and emotional needs. The Executive Director of By The Hand is a member of the Board of Directors of Chicago Education Partnership, a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. As discussed in Note 11, By The Hand has an operating lease agreement with Chicago Education Partnership for a building owned by By The Hand. During the year ended August 31, 2020, By The Hand and Chicago Education Partnership incurred shared operating costs which were agreed to

be reimbursed by each entity. During the year ended August 31, 2020, By The Hand incurred reimbursable technology and maintenance costs of \$26,700 which were due to By The Hand at August 31, 2020. During the years ended August 31, 2021 and 2020, Chicago Education Partnership incurred technology costs of \$12,420 and \$11,486, respectively, which were reimbursed by By The Hand during each respective fiscal year.

(11) OPERATING LEASES

As discussed in Note 10, By The Hand leases space in a building owned by By The Hand to Chicago Education Partnership. The property being leased is a three story building with a gymnasium located at 416 North Laramie Avenue, Chicago, Illinois. During the year ended August 31, 2020, By The Hand completed an expansion of the property which increased its square footage from approximately 48,000 to 85,000 square feet of space. The original lease, which ran from August 2015 to July 2020, was renewed for an additional five-year period beginning August 2020, commensurate with the building expansion. The tenant, Chicago Education Partnership, has the right and option to renew for one additional five year term.

Future minimum rentals due under the terms of leases in effect at August 31 are as follows:

Years ended August 31:

2022	\$	741,600
2023		859,410
2024		885,330
2025		912,060
	\$	3,398,400

Rental income under the above leases for the years ended August 31, 2021 and 2020 totaled \$639,300 and \$423,750, respectively.

(12) RETIREMENT PLAN

By The Hand participates in a tax deferred 403(b) retirement plan sponsored by The Moody Church for qualifying By The Hand employees. Total employer contributions to the plan during the years ended August 31, 2021 and 2020 were \$83,271 and \$82,277, respectively.

(13) COMMITMENTS AND CONTINGENCIES

By The Hand conducts its operations from both owned and leased facilities. By The Hand is responsible for funding all necessary repair and maintenance at one of the leased facilities due to the rental amounts required by the lease. Total rent expense under the leases amounted to \$128,902 and \$176,580 for the years ended August 31, 2021 and 2020, respectively. Future minimum base rental payments required under these operating leases are \$39,717 for the year ending August 31, 2022, \$30,508 for the year ending August 31, 2023, and \$1,200 for each of the years ending August 31, 2024 through 2033.

By The Hand is involved in various legal proceedings and litigation arising in the ordinary course of business. Although the eventual outcome of these matters is not presently determinable, in the opinion of By The Hand's management, the resolution of such proceedings and litigation will not have a material adverse effect on the financial position of By The Hand.

(14) SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to August 31, 2021, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended August 31, 2021. Management has performed their analysis

through November 8, 2021, the date the financial statements were available to be issued.

Beginning in fiscal 2019, By The Hand joined with other Chicago-area nonprofit organizations to plan the development of a community center in the Chicago neighborhood of North Austin. This community center will be owned, operated and utilized by organizations distinct from By The Hand, and will ultimately house a new By The Hand after school District Club. Construction of the community center began in September 2021, and is anticipated to be completed in the fall of 2022. By The Hand's new District Club is scheduled for opening in the fall of 2022.

During the past four fiscal years, By The Hand has been raising funds through restricted donations to be contributed, along with acquired land, to North Austin Community Center (NACC), a nonprofit organization, which will own the building and property. Certain of these funds have been used in the payment of predevelopment expenses of the community center during the last three fiscal years, totaling approximately \$4.6 million, including \$3.3 million during fiscal year 2021. Subsequent to August 31, 2021, By The Hand contributed approximately \$2.6 million of remaining net restricted gifts to NACC, North Austin Leverage Lender LLC (NALL), a related organization, and Intentional Sports, an unrelated nonprofit occupant of the community center, which will be used primarily to fund construction. In addition, By The Hand loaned \$1.9 million to NACC subsequent to August 31, 2021, representing \$900,000 in cash and land valued at \$1 million. The loan has a seven year term at 1.25%. See further discussion of NALL below.

By The Hand has entered into a debt agreement with its external lender whereby it may borrow \$15 million to fund the community center construction. The debt has an interest rate of 4.125%, a 30 year amortization and a 5 year term. NACC, NALL and Intentional Sports will each make payments to By The Hand which will be used to make principal and interest payments on this debt. This borrowing was consummated in September 2021. The debt is secured by property owned by By The Hand at, and adjacent to, 415, 416, and 500-510 North Laramie Avenue, Chicago.

The development of NACC is funded in part by New Market Tax Credits (NMTC), a federal and state program developed to attract investment in lower income communities. The NMTC arrangement will provide \$23.1M to NACC, consisting of \$6.6M from the NMTC Investor (an independent financial institution) and \$16.5M from NALL, a membership agreement between By The Hand and NACC. The members' contributions to NALL are sourced from loans and donations received by the partners, including \$12.6 million of the previously mentioned By The Hand debt borrowing. A portion of the remaining development costs will be funded by the \$1.9 million direct loan from By The Hand to NACC.

The NMTC arrangement requires all of the project participants, including By The Hand, to make certain performance and compliance guarantees: use the NMTC proceeds as intended for construction, continue operating the facility as a community center, avoid bankruptcy, and not commit fraud or bad acts. Violations of these guarantees would trigger a recapture event, which could result in repayment of as much as the NMTC proceeds of \$6.6 million.

By The Hand and NACC are the two Members of NALL, each with 50% control, as defined in the membership agreement. By The Hand serves as Manager of the day-to-day operations of NALL. As of September 30, 2021, By The Hand has a 95% economic interest in NALL, while NACC has a 5% economic interest, representing the portion of cash distributions entitled by each member, By The Hand's ownership percentage will decline over time as the principal balance under the debt agreement is reduced, eventually settling at 5% ownership. NALL has no economic substance as of August 31, 2021.

The Executive Director of By The Hand is a board member of NACC.

Leading by Serving

BY THE HAND BOARD OF DIRECTORS

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Attorney (Retired)

Carol Simpson, Vice Chairman
Attorney, Carol Simpson Law Offices

Christine Parker, Secretary
Attorney, Law Office of Christine A. Parker

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Director of By The Hand – Altgeld-Murray

Bethany Arvan
Director of College and Career Support

Bernadette Ballenger
Director of By The Hand – Austin

Rebecca Bognet
Director of College and Career Readiness

Felicia Bullock
Senior Manager of Finance

Connie Giere
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Yasenia Roman
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Susannah Schwarcz Yount
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Donnita Travis
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Courtney Underwood
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Ben Waterman
Managing Director of Fund Development

Rodney Williams, Sr.
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Eddie Wilson
Director of By The Hand – Englewood

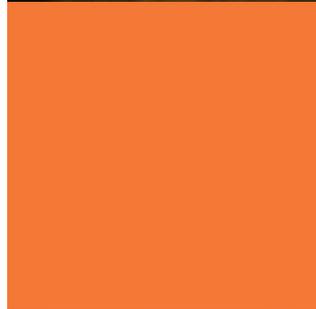
Andraya Yousfi
Managing Director of Partnerships and Development

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iCity Enrichment Center
312 W. Walton Street
Chicago, IL 60610

By The Hand is an after-school program that emphasizes academic excellence while nurturing the whole child—mind, body and soul. Our vision is to help children who live in under-resourced neighborhoods have abundant and eternal life.

Bythehand.org

