

**Haiti Nursing Foundation, Inc.**  
(a nonprofit Michigan corporation)  
Ann Arbor, Michigan

**Financial Statements**

July 31, 2016 and 2015

# Haiti Nursing Foundation, Inc.

## Table of Contents

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<b>Independent Accountants' Review Report</b> .....	Page 1
<b>Statements of Financial Position</b> July 31, 2016 and 2015 .....	Page 2
<b>Statements of Activities</b> Years ended July 31, 2016 and 2015 .....	Page 3
<b>Statement of Functional Expenses</b> Year ended July 31, 2016 .....	Page 4
<b>Statement of Functional Expenses</b> Year ended July 31, 2015 .....	Page 5
<b>Statements of Cash Flows</b> Years ended July 31, 2016 and 2015 .....	Page 6
<b>Notes to Financial Statements</b> .....	Pages 7-12



## **Independent Accountants' Review Report**

To the Board of Directors  
Haiti Nursing Foundation, Inc.  
Ann Arbor, Michigan

We have reviewed the accompanying financial statements of Haiti Nursing Foundation (a nonprofit organization), which comprise the statements of financial position as of July 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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

### **Accountants' Responsibility**

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

### **Accountants' Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Altruic Advisors, PLLC*

Certified Public Accountants

Ann Arbor, Michigan  
December 27, 2016

# Haiti Nursing Foundation, Inc.

## Statements of Financial Position

July 31	2016	2015
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 121,923	\$ 95,690
Prepaid expenses	1,637	1,125
Inventory	1,147	481
Total current assets	<u>124,707</u>	<u>97,296</u>
<b>Equipment</b>		
Computer equipment	5,485	4,595
Less accumulated depreciation	(4,175)	(3,733)
Net property and equipment	<u>1,310</u>	<u>862</u>
<b>Other Assets</b>		
Investments	-	3,017
Security deposits	650	650
Total other assets	<u>650</u>	<u>3,667</u>
Total assets	<u>\$ 126,667</u>	<u>\$ 101,825</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,120	\$ 3,691
Accrued wages and payroll taxes	8,115	2,885
Total current liabilities	<u>9,235</u>	<u>6,576</u>
<b>Net Assets</b>		
Unrestricted		
Designated for reserves	50,016	38,412
Undesignated	67,416	51,837
Total unrestricted net assets	<u>117,432</u>	<u>90,249</u>
Temporarily restricted net assets	-	5,000
Total net assets	<u>117,432</u>	<u>95,249</u>
Total liabilities and net assets	<u>\$ 126,667</u>	<u>\$ 101,825</u>

The accompanying Notes which are an integral part of these financial statements and the Independent Accountants' Review Report on Page 1 should be read with these financial statements

# Haiti Nursing Foundation, Inc.

## Statements of Activities

Years ended July 31

2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>			
<b>Support</b>			
General donations	\$ 332,827	\$ -	\$ 332,827
Grants	11,500	-	11,500
Special events, net	4,509	-	4,509
In-kind donations - services	260,395	-	260,395
In-kind donations - supplies and materials	28,921	-	28,921
Total support	<u>638,152</u>	<u>-</u>	<u>638,152</u>
<b>Revenue</b>			
Interest income	117	-	117
Miscellaneous income	3,332	-	3,332
Total revenue	<u>3,449</u>	<u>-</u>	<u>3,449</u>
Net assets released from restrictions	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
Total support and revenue	<u>646,601</u>	<u>(5,000)</u>	<u>641,601</u>
<b>Functional Expenses and Losses</b>			
<b>Functional Expenses</b>			
Program Services	<u>520,081</u>	<u>-</u>	<u>520,081</u>
Supporting Services			
General and administrative	36,706	-	36,706
Fundraising	62,631	-	62,631
Total supporting services	<u>99,337</u>	<u>-</u>	<u>99,337</u>
Total functional expenses	<u>619,418</u>	<u>-</u>	<u>619,418</u>
Unrealized losses on investments	<u>-</u>	<u>-</u>	<u>-</u>
<b>Functional Expenses and Losses</b>	<u>619,418</u>	<u>-</u>	<u>619,418</u>
<b>Change in Net Assets</b>	<u>27,183</u>	<u>(5,000)</u>	<u>22,183</u>
<b>Net Assets, Beginning of Year</b>	<u>90,249</u>	<u>5,000</u>	<u>95,249</u>
<b>Net Assets, End of Year</b>	<u>\$ 117,432</u>	<u>\$ -</u>	<u>\$ 117,432</u>

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2015

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<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 319,477	\$ -	\$ 319,477
20,250	-	20,250
11,187	-	11,187
150,102	-	150,102
41,030	-	41,030
<u>542,046</u>	<u>-</u>	<u>542,046</u>
240	-	240
151	-	151
<u>391</u>	<u>-</u>	<u>391</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>542,437</u>	<u>-</u>	<u>542,437</u>
<u>419,441</u>	<u>-</u>	<u>419,441</u>
42,489	-	42,489
50,581	-	50,581
<u>93,070</u>	<u>-</u>	<u>93,070</u>
512,511	-	512,511
39	-	39
<u>512,550</u>	<u>-</u>	<u>512,550</u>
29,887	-	29,887
60,362	5,000	65,362
<u>\$ 90,249</u>	<u>\$ 5,000</u>	<u>\$ 95,249</u>

The accompanying Notes which are an integral part of these financial statements and the Independent Accountants' Review Report on Page 1 should be read with these financial statements

# Haiti Nursing Foundation, Inc.

## Statement of Functional Expenses

Year ended July 31, 2016

	Program Services	Supporting Services	
		General and Administrative	Fundraising
Salaries and wages	\$ 40,725	\$ 10,293	\$ 38,487
Payroll taxes and other benefits	5,558	1,405	5,253
Total personnel costs	<u>46,283</u>	<u>11,698</u>	<u>43,740</u>
Direct FSIL Support:			
General nursing school support	175,819	-	-
In-kind contracted labor	189,873	-	-
In-kind curriculum and instruction	49,680	-	-
In-kind travel and supplies	28,921	-	-
In-kind medical and dental services	20,842	-	-
Total direct FSIL support	<u>465,135</u>	<u>-</u>	<u>-</u>
Professional fees	-	16,233	-
Advertising	-	-	8,278
Rent - office	-	3,575	3,575
Postage	2,223	555	2,779
Small grants	2,531	-	-
Conferences and meetings	2,124	-	-
Merchant and bank fees	-	187	1,682
Supplies and materials	503	587	587
Insurance	-	1,603	-
Telephone	958	160	479
Hosting and website	249	249	747
Other fundraising costs	-	-	691
Board and staff development	-	539	-
Dues and subscriptions	-	450	-
Repairs and maintenance	-	285	-
Copying and printing	75	73	73
Licenses and fees	-	70	-
Total expenses before depreciation	<u>520,081</u>	<u>36,264</u>	<u>62,631</u>
Depreciation	-	442	-
Total expenses	<u>\$ 520,081</u>	<u>\$ 36,706</u>	<u>\$ 62,631</u>

<u>Total</u>	<u>Total Expenses</u>
\$ 48,780	\$ 89,505
6,658	12,216
<u>55,438</u>	<u>101,721</u>
-	175,819
-	189,873
-	49,680
-	28,921
-	20,842
<u>-</u>	<u>465,135</u>
16,233	16,233
8,278	8,278
7,150	7,150
3,334	5,557
-	2,531
-	2,124
1,869	1,869
1,174	1,677
1,603	1,603
639	1,597
996	1,245
691	691
539	539
450	450
285	285
146	221
70	70
<u>98,895</u>	<u>618,976</u>
442	442
<u>\$ 99,337</u>	<u>\$ 619,418</u>

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# Haiti Nursing Foundation, Inc.

## Statement of Functional Expenses

Year ended July 31, 2015

	Program Services	Supporting Services	
		General and Administrative	Fundraising
Salaries and wages	\$ 35,705	\$ 9,289	\$ 34,470
Payroll taxes and other benefits	3,218	838	3,110
Total personnel costs	<u>38,923</u>	<u>10,127</u>	<u>37,580</u>
Direct FSIL Support:			
General nursing school support	180,175	-	-
In-kind curriculum and instruction	57,165	-	-
In-kind contracted labor	54,465	-	-
In-kind medical and dental services	38,472	-	-
In-kind travel and supplies	41,030	-	-
Total direct FSIL support	<u>371,307</u>	<u>-</u>	<u>-</u>
Professional fees	-	22,158	-
Rent - office	-	3,300	3,300
Copying and printing	2,194	2,129	2,129
Postage	2,267	567	2,834
Conferences and meetings	2,617	-	-
Telephone	1,493	249	746
Advertising	-	-	2,000
Insurance	-	1,673	-
Merchant and bank fees	-	118	1,059
Supplies and materials	288	336	336
Board and staff development	-	874	-
Hosting and website	140	140	419
Dues and subscriptions	-	220	-
Repairs and maintenance	-	180	-
Small grants	177	-	-
Fundraising	-	-	167
Licenses and fees	-	30	-
Travel	22	-	6
Food	13	8	5
Total expenses before depreciation	<u>419,441</u>	<u>42,109</u>	<u>50,581</u>
Depreciation	-	380	-
Total expenses	<u>\$ 419,441</u>	<u>\$ 42,489</u>	<u>\$ 50,581</u>



<u>Total</u>	<u>Total Expenses</u>
\$ 43,759	\$ 79,464
3,948	7,166
<u>47,707</u>	<u>86,630</u>
-	180,175
-	57,165
-	54,465
-	38,472
-	41,030
<u>-</u>	<u>371,307</u>
22,158	22,158
6,600	6,600
4,258	6,452
3,401	5,668
-	2,617
995	2,488
2,000	2,000
1,673	1,673
1,177	1,177
672	960
874	874
559	699
220	220
180	180
-	177
167	167
30	30
6	28
13	26
<u>92,690</u>	<u>512,131</u>
380	380
<u>\$ 93,070</u>	<u>\$ 512,511</u>

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# Haiti Nursing Foundation, Inc.

## Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended July 31	2016	2015
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 22,183	\$ 29,887
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	442	380
Net appreciation of investments	45	39
Donated securities	-	(4,107)
Increase (decrease) from changes in assets and liabilities		
Prepaid expenses	(512)	(458)
Inventory	(666)	-
Accounts payable	(2,571)	1,158
Accrued wages and payroll taxes	5,230	580
Net cash provided by operating activities	<u>24,151</u>	<u>27,479</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of equipment	(890)	-
Sale of investments	2,972	1,612
Net cash provided by investing activities	<u>2,082</u>	<u>1,612</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>26,233</b>	<b>29,091</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>95,690</b>	<b>66,599</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 121,923</b>	<b>\$ 95,690</b>

The accompanying Notes which are an integral part of these financial statements and the Independent Accountants' Review Report on Page 1 should be read with these financial statements

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2016 and 2015

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### Note 1 - Nature of Organization and Significant Accounting Policies

*Nature of Organization.* Haiti Nursing Foundation (“the Foundation”) is a nonprofit organization, which supports a professional program of study in nursing science in Haiti, incorporating public health principles to prepare graduates for effective health care service.

*Use of Estimates.* The preparation of 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.

*Basis of Accounting.* The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

*Net Asset Restriction Classification.* The Foundation has adopted accounting standards which require that the Foundation distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. These standards require that resources be classified for reporting purposes into three net asset categories according to externally (donor) imposed restrictions. The three net asset categories are as follows:

*Unrestricted net assets.* Net assets not subject to donor-imposed stipulations.

*Temporarily restricted net assets.* Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time. Once the stipulation is met, the assets are released from restriction and the expenditure is recorded in the activities of unrestricted net assets.

*Permanently restricted net assets.* Net assets subject to donor-imposed stipulations that require the donated assets to be maintained permanently by the Foundation. Generally, the donors of these assets would permit the Foundation to use all or part of the income earned on the corpus for general or specific purposes. The Foundation does not currently have any permanently restricted net assets.

*Functional Allocation of Expenses.* Direct expenses have been allocated to the applicable program for which the expense was incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

*Cash and Cash Equivalents.* The Foundation considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

*Inventory.* Inventory consists of purchased cookbooks and is recorded at the lower of cost or market. Sales of inventory are generally minimal and are included in the Statements of Activities as miscellaneous income, net of the related cost of inventory.

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2016 and 2015

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### Note 1 - Nature of Organization and Significant Accounting Policies (continued)

*Grants Receivable.* Grants receivable are stated net of allowances for uncollectible accounts. Management provides for probable uncollectible accounts through a provision for bad debt expenses and an adjustment to the allowance account based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a reduction to the allowance account and a corresponding reduction to grants receivable. As of July 31, 2016 and 2015, there were no grants receivable.

*Equipment.* Haiti Nursing Foundation's capitalizes all expenditures for equipment in excess of \$500 and a useful life of more than one year. Equipment is recorded at cost for purchased items, while repair and maintenance items are charged to expense as incurred. Donations of equipment are capitalized at their estimated fair value at the time of receipt. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed utilizing the straight-line method over the estimated useful life of the assets, which is generally three to five years. Depreciation expense for the years ended July 31, 2016 and 2015 was \$442 and \$380, respectively.

*Impairment of Long-Lived Assets.* In the event that facts and circumstances indicate that property and equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended July 31, 2016 and 2015.

*Fair Value Measurements.* The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

*Level 1.* Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Society has the ability to access.

*Level 2.* Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2016 and 2015

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### Note 1 - Nature of Organization and Significant Accounting Policies (continued)

*Level 2* (continued). If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3*. Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used as of July 31, 2015.

*Money Market Funds and Corporate Stocks*. The fair value of mutual funds and corporate bonds is determined by the closing price reported on the active market on which the individual securities are traded.

The valuation methodology may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

*Contributions*. Contributions are recognized when the donation is received. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions and grants that are restricted by the donor or grantor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

*Contributed Services*. Contributed services are recognized if the services received satisfy the criteria for recognition. The contributions of services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services including curriculum development, medical and dental services, and clinical instruction, as recognized in the financial statements, were \$260,395 and \$150,102 for the years ended July 31, 2016 and 2015.

A substantial number of other individuals have made contributions of their time to assist the Foundation in a variety of tasks and services. The value of these services is not recorded in the accompanying financial statements, as these services do not meet the criteria for recognition under ASC 958-205.

*Advertising*. The Foundation expenses advertising costs, including donated advertising, as they are incurred. Total advertising expense for the years ended July 31, 2016 and 2015 was \$8,278 and \$2,000, respectively.

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2016 and 2015

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### Note 1 - Nature of Organization and Significant Accounting Policies (continued)

*Income Taxes.* The Foundation is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

*Subsequent Events.* The Foundation evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through December 27, 2016, the date at which the financial statements were available for release.

### Note 2 - Related Party Transactions and Foreign Operations

The Foundation provides ongoing support to the Faculty of Nursing Science of the Episcopal University of Haiti ("FSIL"). While the Foundation and FSIL share some common governance, consolidation of the FSIL operations into the financial statements of the Foundation is not currently required.

During the years ended July 31, 2016 and 2015, the Foundation provided direct monetary support to FSIL of \$175,819 and \$180,175, respectively.

### Note 3 – Fair Value Measurements

The following table presents, by level within the fair value hierarchy, the Foundation's investment assets at fair value as of July 31, 2015. As required, investments are classified in their entirety based upon the lowest level of input that is significant.

	<u>Total</u>	<u>Level 1</u>
Money market funds	\$ 16	\$ 16
Corporate stocks	3,001	3,001
	<u>\$ 3,017</u>	<u>\$ 3,017</u>

During the year ended July 31, 2016, the Foundation sold all investment funds.

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2016 and 2015

### Note 4 - Temporarily Restricted Net Assets

The balances of temporarily restricted net assets at July 31, 2016 and 2015 are as follows:

<u>Purpose</u>	<u>August 1, 2015 Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>July 31 2016 Balance</u>
School Chapel Items	\$ 5,000	\$ -	\$ 5,000	\$ -

  

<u>Purpose</u>	<u>August 1, 2014 Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>July 31 2015 Balance</u>
School Chapel Items	\$ -	\$ 5,000	\$ -	\$ 5,000
Nursing Program	3,000	-	3,000	-
	<u>\$ 3,000</u>	<u>\$ 5,000</u>	<u>\$ 3,000</u>	<u>\$ 5,000</u>

### Note 5 – Retirement Plan

Haiti Nursing Foundation has established a SIMPLE IRA plan for eligible employees. The plan requires the Foundation to match employee contributions, from 1% to 3% of annual gross wages. In order to be eligible to participate, an employee must have been employed during any two preceding calendar years, have been paid \$5,000 during each of those two years, and have attained the age of 21 years. The employer contributions are immediately vested. The Foundation contributed \$1,560 during each of the years ended July 31, 2016 and 2015.

### Note 6 - Special Events

The Foundation derived net revenue from the following special fundraising events during the years ended July 31, 2016:

	<u>Milestones Event</u>
Gross Proceeds	\$ 38,905
Less Contributions	(30,113)
Direct Costs	(4,283)
Net Revenue	<u>\$ 4,509</u>

The Foundation derived net revenue from the following special fundraising events during the years ended July 31, 2015:

	<u>Grand Rapids Breakfast</u>	<u>Haiti Reunion</u>	<u>Total</u>
Gross Proceeds	\$ 8,140	\$10,725	\$ 18,865
Direct Costs	(1,860)	(5,818)	(7,678)
Net Revenue	<u>\$ 6,280</u>	<u>\$ 4,907</u>	<u>\$ 11,187</u>



# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2016 and 2015

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### Note 7 - Concentration of Credit Risk

*Geographical Concentration.* The Foundation receives a substantial amount of its support from within the Southeast Michigan area. The effects of this concentration of credit risk on the Foundation's financial statements have not been determined for the years ended July 31, 2016 and 2015.