

**Haiti Nursing Foundation, Inc.**

(a nonprofit Michigan corporation)

Ann Arbor, Michigan

**Financial Statements**

July 31, 2017 and 2016

# Haiti Nursing Foundation, Inc.

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## **Independent Auditors' Report**

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

We have audited the accompanying financial statements of Haiti Nursing Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of July 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year 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.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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.

## **Independent Auditor's Report (continued)**

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Haiti Nursing Foundation, Inc. as of July 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Prior Year Financial Statements**

The July 31, 2016 financial statements were reviewed by us, and our report thereon, dated December 27, 2016, stated we were not aware of any material modifications that should be made to those financial statements 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 14, 2017

# Haiti Nursing Foundation, Inc.

## Statements of Financial Position

July 31	2017	2016
	Audited	Reviewed
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 231,461	\$ 121,923
Prepaid expenses	2,707	1,637
Inventory	-	1,147
Total current assets	<u>234,168</u>	<u>124,707</u>
<b>Equipment</b>		
Computer equipment	2,715	5,485
Less accumulated depreciation	(239)	(4,175)
Net property and equipment	<u>2,476</u>	<u>1,310</u>
<b>Other Assets</b>		
Security deposits	650	650
Total other assets	<u>650</u>	<u>650</u>
Total assets	<u>\$ 237,294</u>	<u>\$ 126,667</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 2,021	\$ 1,120
Accrued wages and payroll taxes	6,054	8,115
Grants payable	126,000	120,000
Deferred revenue	1,700	-
Total current liabilities	<u>135,775</u>	<u>129,235</u>
<b>Net Assets (Deficit)</b>		
Unrestricted		
Designated for reserves	100,031	50,016
Undesignated	(109,692)	(52,584)
Total unrestricted net assets (deficit)	<u>(9,661)</u>	<u>(2,568)</u>
Temporarily restricted net assets	<u>111,180</u>	<u>-</u>
Total net assets (deficit)	<u>101,519</u>	<u>(2,568)</u>
Total liabilities and net assets (deficit)	<u>\$ 237,294</u>	<u>\$ 126,667</u>

The accompanying Notes are an integral part of these financial statements

# Haiti Nursing Foundation, Inc.

## Statement of Activities

Year ended July 31, 2017 (audited)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>			
<b>Support</b>			
General donations	\$ 349,013	\$ 111,180	\$ 460,193
Grants	123,625	-	123,625
Special events, net	48,425	-	48,425
In-kind donations - services	43,298	-	43,298
In-kind donations - supplies and materials	24,068	-	24,068
Total support	<u>588,429</u>	<u>111,180</u>	<u>699,609</u>
<b>Revenue</b>			
Miscellaneous income	179	-	179
Interest income	42	-	42
Total revenue	<u>221</u>	<u>-</u>	<u>221</u>
Net assets released from restrictions	-	-	-
Total support and revenue	<u>588,650</u>	<u>111,180</u>	<u>699,830</u>
<b>Functional Expenses and Loss</b>			
<b>Functional Expenses</b>			
Program Services	<u>533,175</u>	<u>-</u>	<u>533,175</u>
Supporting Services			
General and administrative	45,944	-	45,944
Fundraising	15,510	-	15,510
Total supporting services	<u>61,454</u>	<u>-</u>	<u>61,454</u>
Total functional expenses	<u>594,629</u>	<u>-</u>	<u>594,629</u>
Loss on disposition of equipment	<u>1,114</u>	<u>-</u>	<u>1,114</u>
Total functional expenses and loss	<u>595,743</u>	<u>-</u>	<u>595,743</u>
<b>Change in Net Assets</b>	<u>(7,093)</u>	<u>111,180</u>	<u>104,087</u>
<b>Net Assets, Beginning of Year, As Previously Stated</b>	<u>(2,568)</u>	<u>-</u>	<u>(2,568)</u>
<b>Prior Period Adjustment</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Assets, Beginning of Year, As Restated</b>	<u>(2,568)</u>	<u>-</u>	<u>(2,568)</u>
<b>Net Assets, End of Year</b>	<u>\$ (9,661)</u>	<u>\$ 111,180</u>	<u>\$ 101,519</u>

The accompanying Notes are an integral part of these financial statements

# Haiti Nursing Foundation, Inc.

## Statement of Activities

Year ended July 31, 2016 (reviewed)

	Unrestricted	Temporarily Restricted	Total
<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>			
Miscellaneous income	3,332	-	3,332
Interest income	117	-	117
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>519,949</u>	<u>-</u>	<u>519,949</u>
Supporting Services			
General and administrative	36,918	-	36,918
Fundraising	<u>62,551</u>	<u>-</u>	<u>62,551</u>
Total supporting services	<u>99,469</u>	<u>-</u>	<u>99,469</u>
Total functional expenses	619,418	-	619,418
Loss on disposition of property & equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total functional expenses and losses	<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, As Previously Stated</b>	90,249	5,000	95,249
<b>Prior Period Adjustment</b>	<u>(120,000)</u>	<u>-</u>	<u>(120,000)</u>
<b>Net Assets (Deficit), Beginning of Year, As Restated</b>	<u>(29,751)</u>	<u>5,000</u>	<u>(24,751)</u>
<b>Net Assets (Deficit), End of Year</b>	<u>\$ (2,568)</u>	<u>\$ -</u>	<u>\$ (2,568)</u>

The accompanying Notes are an integral part of these financial statements

# Haiti Nursing Foundation, Inc.

## Statement of Functional Expenses

Year ended July 31, 2017 (audited)

	Program Services	Supporting Services			Total Expenses
		General and Administrative	Fundraising	Total	
Salaries and wages	\$ 75,214	\$ 28,216	\$ 8,004	\$ 36,220	\$ 111,434
Payroll tax expense	6,199	2,324	661	2,985	9,184
Benefits	1,079	404	115	519	1,598
Total personnel costs	<u>82,492</u>	<u>30,944</u>	<u>8,780</u>	<u>39,724</u>	<u>122,216</u>
Direct FSIL Support:					
General nursing school support	344,978	-	-	-	344,978
In-kind travel and supplies	24,068	-	-	-	24,068
In-kind medical and dental services	21,146	-	-	-	21,146
In-kind contracted labor	18,949	-	-	-	18,949
In-kind curriculum and instruction	3,203	-	-	-	3,203
Total direct FSIL support	<u>412,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>412,344</u>
Professional fees	11,020	4,621	2,133	6,754	17,774
Advertising	6,648	2,788	1,286	4,074	10,722
Rent - office	4,092	1,716	792	2,508	6,600
Merchant and bank fees	2,608	1,094	505	1,599	4,207
Postage	2,594	1,088	502	1,590	4,184
Conferences and meetings	3,456	-	-	-	3,456
Dues and subscriptions	1,837	770	356	1,126	2,963
Supplies and materials	1,240	520	240	760	2,000
Insurance	1,104	463	214	677	1,781
Copy and printing	893	374	173	547	1,440
Telephone	853	358	165	523	1,376
Hosting and website	810	340	157	497	1,307
Board and staff development	632	265	122	387	1,019
Miscellaneous	552	184	85	269	821
Total expenses before depreciation	<u>533,175</u>	<u>45,525</u>	<u>15,510</u>	<u>61,035</u>	<u>594,210</u>
Depreciation	-	419	-	419	419
Total expenses	<u>\$ 533,175</u>	<u>\$ 45,944</u>	<u>\$ 15,510</u>	<u>\$ 61,454</u>	<u>\$ 594,629</u>

The accompanying Notes are an integral part of these financial statements



# Haiti Nursing Foundation, Inc.

## Statement of Functional Expenses

Year ended July 31, 2016 (Reviewed)

	Program Services	Supporting Services			Total Expenses
		General and Administrative	Fundraising	Total	
Salaries and wages	\$ 41,525	\$ 10,453	\$ 39,127	\$ 49,580	\$ 91,105
Payroll tax expense	3,916	988	3,683	4,671	8,587
Benefits	710	179	671	850	1,560
Total personnel costs	<u>46,151</u>	<u>11,620</u>	<u>43,481</u>	<u>55,101</u>	<u>101,252</u>
Direct FSIL Support:					
General nursing school support	175,819	-	-	-	175,819
In-kind contracted labor	189,873	-	-	-	189,873
In-kind curriculum and instruction	49,680	-	-	-	49,680
In-kind travel and supplies	28,921	-	-	-	28,921
In-kind medical and dental services	20,842	-	-	-	20,842
Total direct FSIL support	<u>465,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>465,135</u>
Professional fees	-	16,503	-	16,503	16,503
Advertising	-	-	8,278	8,278	8,278
Rent - office	-	3,575	3,575	7,150	7,150
Postage	2,223	555	2,779	3,334	5,557
Small grants	2,531	-	-	-	2,531
Conferences and meetings	2,124	-	-	-	2,124
Merchant and bank fees	-	207	1,861	2,068	2,068
Supplies and materials	503	587	587	1,174	1,677
Insurance	-	1,603	-	1,603	1,603
Telephone	958	160	479	639	1,597
Hosting and website	249	249	747	996	1,245
Miscellaneous	75	878	73	951	1,026
Fundraising	-	-	691	691	691
Board and staff development	-	539	-	539	539
Total expenses before depreciation	<u>519,949</u>	<u>36,476</u>	<u>62,551</u>	<u>99,027</u>	<u>618,976</u>
Depreciation	-	442	-	442	442
Total expenses	<u>\$ 519,949</u>	<u>\$ 36,918</u>	<u>\$ 62,551</u>	<u>\$ 99,469</u>	<u>\$ 619,418</u>

The accompanying Notes are an integral part of these financial statements

# Haiti Nursing Foundation, Inc.

## Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended July 31	2017	2016
	Audited	Reviewed
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 104,087	\$ 22,183
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	419	442
Net appreciation of investments	1,130	45
Increase (decrease) from changes in assets and liabilities		
Prepaid expenses	(1,070)	(512)
Inventory	1,147	(666)
Accounts payable	901	(2,571)
Accrued wages and payroll taxes	(2,061)	5,230
Grants payable	6,000	-
Deferred revenue	1,700	-
Net cash provided by operating activities	<u>112,253</u>	<u>24,151</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of equipment	(2,715)	(890)
Sale of investments	-	2,972
Net cash provided (used) by investing activities	<u>(2,715)</u>	<u>2,082</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>109,538</b>	<b>26,233</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b><u>121,923</u></b>	<b><u>95,690</u></b>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 231,461</u></b>	<b><u>\$ 121,923</u></b>

The accompanying Notes are an integral  
part of these financial statements

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2017 and 2016

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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.

*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.

*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, 2017 and 2016, 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, 2017 and 2016 was \$419 and \$442, 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, 2017 and 2016.

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2017 and 2016

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

*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.

*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, 2017 and 2016.

*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 \$43,298 and \$260,395 for the years ended July 31, 2017 and 2016, respectively.

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.

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2017 and 2016

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

*Advertising.* The Foundation expenses advertising costs, including donated advertising, as they are incurred. Total advertising expense for the years ended July 31, 2017 and 2016 was \$10,722 and \$8,278, respectively.

*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.

*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.

*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 14, 2017, the date at which the financial statements were available for release.

### Note 2 - Prior Period Adjustment

The Foundation has recorded a prior period adjustment to correct an error related to the underreporting of grants payable. The financial statements have been restated to increase grants payable by \$120,000 and to decrease unrestricted net assets by \$120,000 as of August 1, 2015.

### Note 3 - 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, 2017 and 2016, the Foundation provided direct monetary support to FSIL of \$344,978 and \$175,819, respectively.

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2017 and 2016

### Note 4 - Temporarily Restricted Net Assets

The balances of temporarily restricted net assets at July 31, 2017 and 2016 are as follows:

<u>Purpose</u>	August 1, 2016			July 31, 2017
	Balance	Receipts	Releases	Balance
RN to BSN Program	\$ -	\$ 70,032	\$ -	\$ 70,032
Student Sponsorships	-	31,500	-	31,500
Disaster Relief	-	9,648	-	9,648
<b>Total</b>	<b>\$ -</b>	<b>\$ 111,180</b>	<b>\$ -</b>	<b>\$ 111,180</b>

  

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

### 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 \$1,663 and \$1,560 during the years ended July 31, 2017 and 2016, respectively.

### Note 6 - Special Events

The Foundation derived net support from the following special fundraising events during the year ended July 31, 2017:

	Support a Healthier Haiti	NBNA Gala	Total
Gross support	\$ 37,313	\$ 47,682	\$ 84,995
Less direct costs	(7,318)	(29,252)	(36,570)
Net support	<u>\$ 29,995</u>	<u>\$ 18,430</u>	<u>\$ 48,425</u>

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

	NBNA Gala
Gross support	\$ 8,792
Less direct costs	(4,283)
Net support	<u>\$ 4,509</u>

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2017 and 2016

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### Note 7 - Concentration of Credit Risk

*Support Concentration.* The Foundation had one donor who compromised 10% of total support for the year ended July 31, 2017.

*Bank Deposits.* The Foundation maintained cash balances in excess of federally insured limits at certain times during the year.

*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, 2017 and 2016.

### Note 8 - Commitments and Subsequent Event

In September 2017, the Foundation entered into a noncancelable operating lease for office space. The lease expires in September 2018 and requires monthly payments of \$1,030.