

**Haiti Nursing Foundation, Inc.**

(a nonprofit Michigan corporation)

Ann Arbor, Michigan

**Financial Statements**

July 31, 2020 and 2019

# 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 statements of financial position as of July 31, 2020 and 2019, 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 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 Auditors' 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, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Altruic Advisors, CPAs*

Certified Public Accountants

Ann Arbor, Michigan  
February 3, 2021

# Haiti Nursing Foundation, Inc.

## Statements of Financial Position

July 31	2020	2019
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 443,176	\$ 245,562
Prepaid expenses	2,738	2,769
Pledges and grants receivable	-	5,000
Total current assets	<u>445,914</u>	<u>253,331</u>
<b>Equipment</b>		
Computer equipment	2,715	2,715
Less accumulated depreciation	(1,868)	(1,325)
Net equipment	<u>847</u>	<u>1,390</u>
<b>Other Assets</b>		
Security deposits	500	500
Total other assets	<u>500</u>	<u>500</u>
Total assets	<u>\$ 447,261</u>	<u>\$ 255,221</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 924	\$ 2,878
Accrued wages and payroll taxes	9,507	7,078
Grants payable	222,000	16,680
Note payable, current portion	11,337	-
Deferred revenue	-	1,000
Total current liabilities	<u>243,768</u>	<u>27,636</u>
<b>Long-Term Liabilities</b>		
Note payable, net of current portion	<u>14,150</u>	<u>-</u>
Total liabilities	<u>257,918</u>	<u>27,636</u>
<b>Net Assets (Deficit)</b>		
Without donor restrictions		
Designated for reserves	74,686	101,670
Undesignated	-	20,232
Total without restrictions	<u>74,686</u>	<u>121,902</u>
With donor restrictions	<u>114,657</u>	<u>105,683</u>
Total net assets	<u>189,343</u>	<u>227,585</u>
Total liabilities and net assets	<u>\$ 447,261</u>	<u>\$ 255,221</u>

The accompanying Notes are an integral part of these financial statements

# Haiti Nursing Foundation, Inc.

## Statement of Activities

Year ended July 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating Support and Revenue</b>			
<b>Operating Support</b>			
Contributions and grants	\$ 476,474	\$ 66,622	\$ 543,096
Net assets released from restrictions			
Satisfaction of program restrictions	52,648	(52,648)	-
Release of timing restrictions	5,000	(5,000)	-
Total operating support	<u>534,122</u>	<u>8,974</u>	<u>543,096</u>
<b>Operating Revenue</b>			
Special events, net	<u>25,664</u>	-	<u>25,664</u>
Total operating support and revenue	<u>559,786</u>	<u>8,974</u>	<u>568,760</u>
<b>Operating Expenses</b>			
Program Services	<u>526,064</u>	-	<u>526,064</u>
Supporting Services			
General and administrative	68,271	-	68,271
Fundraising	13,546	-	13,546
Total supporting services	<u>81,817</u>	-	<u>81,817</u>
Total operating expenses	<u>607,881</u>	-	<u>607,881</u>
Total operating support and revenue in excess (deficit) of operating expenses	<u>(48,095)</u>	<u>8,974</u>	<u>(39,121)</u>
<b>Other Changes</b>			
Interest income	<u>879</u>	-	<u>879</u>
<b>Change in Net Assets</b>	<u>(47,216)</u>	<u>8,974</u>	<u>(38,242)</u>
<b>Net Assets, Beginning of Year</b>	<u>121,902</u>	<u>105,683</u>	<u>227,585</u>
<b>Net Assets, End of Year</b>	<u>\$ 74,686</u>	<u>\$ 114,657</u>	<u>\$ 189,343</u>

The accompanying Notes are an integral  
part of these financial statements

# Haiti Nursing Foundation, Inc.

## Statement of Activities

Year ended July 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Support and Revenue</b>			
<b>Operating Support</b>			
Contributions and grants	\$ 424,512	\$ 69,203	\$ 493,715
In-kind donations - services	66,330	-	66,330
In-kind donations - supplies and materials	45,152	-	45,152
Net assets released from restrictions			
Satisfaction of program restrictions	50,562	(50,562)	-
Total operating support	<u>586,556</u>	<u>18,641</u>	<u>605,197</u>
<b>Operating Revenue</b>			
Special events, net	<u>11,930</u>	<u>-</u>	<u>11,930</u>
Total operating support and revenue	<u>598,486</u>	<u>18,641</u>	<u>617,127</u>
<b>Operating Expenses</b>			
Program Services	<u>389,786</u>	<u>-</u>	<u>389,786</u>
Supporting Services			
General and administrative	50,644	-	50,644
Fundraising	22,706	-	22,706
Total supporting services	<u>73,350</u>	<u>-</u>	<u>73,350</u>
Total operating expenses	<u>463,136</u>	<u>-</u>	<u>463,136</u>
Total operating support and revenue in excess of operating expenses	<u>135,350</u>	<u>18,641</u>	<u>153,991</u>
<b>Other Changes</b>			
Interest income	<u>1,503</u>	<u>-</u>	<u>1,503</u>
<b>Change in Net Assets</b>	<u>136,853</u>	<u>18,641</u>	<u>155,494</u>
<b>Net Assets (Deficit), Beginning of Year</b>	<u>(14,951)</u>	<u>87,042</u>	<u>72,091</u>
<b>Net Assets, End of Year</b>	<u>\$ 121,902</u>	<u>\$ 105,683</u>	<u>\$ 227,585</u>

The accompanying Notes are an integral  
part of these financial statements

# Haiti Nursing Foundation, Inc.

## Statement of Functional Expenses

Year ended July 31, 2020

	Program Services	Supporting Services			Total Expenses
		General and Administrative	Fundraising	Total	
Salaries and wages	\$ 69,807	\$ 42,125	\$ 8,425	\$ 50,550	\$ 120,357
Payroll tax expense	5,944	3,586	717	4,303	10,247
Benefits	1,837	1,108	222	1,330	3,167
Total personnel costs	<u>77,588</u>	<u>46,819</u>	<u>9,364</u>	<u>56,183</u>	<u>133,771</u>
Direct FSIL Support:					
General nursing school support	413,120	-	-	-	413,120
Total direct FSIL support	<u>413,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,120</u>
Advertising	8,835	5,331	1,066	6,397	15,232
Professional fees	8,644	5,216	1,043	6,259	14,903
Rent - office	7,273	4,389	878	5,267	12,540
Merchant and bank fees	1,836	1,108	222	1,330	3,166
Dues and subscriptions	1,374	829	166	995	2,369
Insurance	1,111	670	134	804	1,915
Miscellaneous	1,055	637	127	764	1,819
Employee travel	1,038	626	125	751	1,789
Copying, printing, and postage	909	549	110	659	1,568
Supplies and materials	833	503	101	604	1,437
Telephone	723	436	87	523	1,246
Repairs and maintenance	464	280	56	336	800
Conferences and meetings	705	-	-	-	705
Hosting and website	321	193	39	232	553
Depreciation	-	543	-	543	543
Board and staff development	235	142	28	170	405
Total expenses	<u>\$ 526,064</u>	<u>\$ 68,271</u>	<u>\$ 13,546</u>	<u>\$ 81,817</u>	<u>\$ 607,881</u>

The accompanying Notes are an integral part of these financial statements



# Haiti Nursing Foundation, Inc.

## Statement of Functional Expenses

Year ended July 31, 2019

	Program Services	Supporting Services			Total Expenses
		General and Administrative	Fundraising	Total	
Salaries and wages	\$ 76,697	\$ 28,611	\$ 12,880	\$ 41,491	\$ 118,188
Payroll tax expense	6,347	2,367	1,066	3,433	9,780
Benefits	1,859	693	312	1,005	2,864
Total personnel costs	<u>84,903</u>	<u>31,671</u>	<u>14,258</u>	<u>45,929</u>	<u>130,832</u>
Direct FSIL Support:					
General nursing school support	139,640	-	-	-	139,640
In-kind travel and supplies	45,152	-	-	-	45,152
In-kind contracted labor	25,120	-	-	-	25,120
In-kind curriculum and instruction	23,900	-	-	-	23,900
In-kind medical and dental	17,310	-	-	-	17,310
Total direct FSIL support	<u>251,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>251,122</u>
Advertising	14,230	5,254	2,408	7,662	21,892
Professional fees	13,171	4,863	2,229	7,092	20,263
Rent - office	8,034	2,966	1,360	4,326	12,360
Employee travel	3,247	1,199	550	1,749	4,996
Merchant and bank fees	2,856	1,054	483	1,537	4,393
Conferences and meetings	3,843	-	-	-	3,843
Dues and subscriptions	1,565	578	265	843	2,408
Insurance	1,518	561	257	818	2,336
Miscellaneous	1,074	396	182	578	1,652
Supplies and materials	905	334	153	487	1,392
Copying, printing, and postage	845	312	143	455	1,300
Hosting and website	797	294	135	429	1,226
Telephone	741	274	125	399	1,140
Repairs and maintenance	539	199	91	290	829
Board and staff development	396	146	67	213	609
Depreciation	-	543	-	543	543
Total expenses	<u>\$ 389,786</u>	<u>\$ 50,644</u>	<u>\$ 22,706</u>	<u>\$ 73,350</u>	<u>\$ 463,136</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	2020	2019
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (38,242)	\$ 155,494
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	543	543
Increase (decrease) from changes in assets and liabilities		
Prepaid expenses	31	213
Pledges and grants receivable	5,000	(5,000)
Accounts payable	(1,954)	(462)
Accrued wages and payroll taxes	2,429	246
Grants payable	205,320	(133,320)
Deferred revenue	(1,000)	450
Net cash provided by operating activities	<u>172,127</u>	<u>18,164</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from note payable	<u>25,487</u>	-
Net cash provided by financing activities	<u>25,487</u>	-
<b>Net Increase in Cash and Cash Equivalents</b>	<b>197,614</b>	18,164
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>245,562</u>	<u>227,398</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 443,176</u>	<u>\$ 245,562</u>

The accompanying Notes are an integral  
part of these financial statements

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2020 and 2019

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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. The Foundation's support is derived principally from contributions and grants.

*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.

*Pledges and Grants Receivable.* Pledges and grants receivable are stated net of allowances for uncollectible accounts. Management provides for probable uncollectible accounts through a provision for bad debt expense 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 the receivables account. As of July 31, 2020, there were no pledges and grants receivable. As of July 31, 2019, management believed all pledges and grants receivable were fully collectible and accordingly, no allowance for doubtful accounts was recorded. Conditional promises to give are recorded when the conditions on which they depend are substantially met.

*Equipment.* The Foundation 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 lives of the assets, which is generally three to five years. Depreciation expense was \$543 for each of the years ended July 31, 2020 and 2019.

*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, 2020 and 2019.

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2020 and 2019

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

*Basis of Net Asset Presentation.* The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions:

*Net Assets Without Donor Restrictions.* Net assets resulting from revenues generated, receiving contributions that have no donor stipulations, providing services, receiving rents, and receiving interest and other income, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

*Net Assets with Donor Restrictions.* Net assets resulting from gifts of cash or other assets that are received with donor stipulations that limit the use of the donated net assets, until the donor restriction expires, that is, until the stipulated time restriction ends or the purpose restriction is accomplished.

*Contributions and Grants.* Contributions and grants are recognized when the amounts are received. Donor-restricted contributions and grants are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the amounts 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 \$66,330 for the year ended July 31, 2019. There were no contributed services for the year ended July 31, 2020.

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.

*Advertising.* The Foundation expenses advertising costs, including donated advertising, as they are incurred. Total advertising expense for the years ended July 31, 2020 and 2019 was \$15,232 and \$21,892, 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.

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2020 and 2019

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

*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.

*Reclassifications.* Certain amounts from the financial statements for the year ended July 31, 2019 have been reclassified to conform with current year presentation, without affecting the change in net assets.

*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 February 3, 2021, the date at which the financial statements were available for release.

### Note 2 - New Accounting Pronouncement

In June 2018, The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-08, Topic 958, *Clarifying the Scope and the Guidance for Contributions Received and Contributions Made*, with the stated purposes of improving the accounting and financial reporting of grants and similar contracts as either reciprocal transactions (exchanges) or nonreciprocal transactions (contributions) and of distinguishing between conditional and unconditional contributions.

During the year ended July 31, 2020 the Foundation adopted the requirements of ASU 2018-08, applying the requirements retrospectively to the comparative period presented. Management has evaluated the effects of the new standard and has determined that the standard has had no changes to the financial statements for the year ended July 31, 2019.

### 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, 2020 and 2019, the Foundation provided direct monetary support to FSIL of \$413,120 and \$139,640 respectively.

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2020 and 2019

### Note 4 – Note Payable

On May 1, 2020, the Foundation was granted a loan ("the PPP Loan") from Bank of Ann Arbor in the amount of \$25,487, pursuant to the Paycheck Protection Program ("the PPP") under Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act ("the CARES Act"), which was enacted March 27, 2020.

The Loan, which is in the form of a promissory note dated May 1, 2020, matures on May 1, 2022 and bears interest at a rate of 1.00% per annum, payable in monthly installments of approximately \$1,434, commencing on December 1, 2020. The Note may be prepaid by the Foundation at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before June 26, 2020, or through an alternate period as extended upon request of the Foundation. The Foundation used the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

As of the report date, the bank has not required the aforementioned monthly payments to commence, nor have they accrued any interest on the balance.

Scheduled maturities of the PPP Loan are as follows at July 31, 2020:

Year ended July 31	Total
2021	\$ 11,337
2022	14,150
	<u>\$ 25,487</u>

### Note 5 - Net Assets with Donor Restrictions

The balances of net assets with donor restrictions at July 31, 2020 are as follows:

	August 1, 2019	Additions	Releases	July 31, 2020
<i>Purpose Restriction:</i>	<u>Balance</u>	<u></u>	<u></u>	<u>Balance</u>
FNP Program	\$ 31,203	\$ 9,242	\$ -	\$ 40,445
Student Sponsorships	31,000	28,000	27,000	32,000
School Nurse Project	-	21,380	-	21,380
RN to BSN Program	18,832	-	-	18,832
Summer Camp	-	2,000	-	2,000
Essential Equipment	10,000	6,000	16,000	-
Disaster Relief	9,648	-	9,648	-
<i>Time Restrictions</i>	5,000	-	5,000	-
	<u>\$ 105,683</u>	<u>\$ 66,622</u>	<u>\$ 57,648</u>	<u>\$ 114,657</u>

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2020 and 2019

### Note 5 - Net Assets with Donor Restrictions (continued)

The balances of net assets with donor restrictions at July 31, 2019 are as follows:

	August 1, 2018			July 31, 2019
<i>Purpose Restriction:</i>	Balance	Additions	Releases	Balance
FNP Program	\$ -	\$ 31,203	\$ -	\$ 31,203
Student Sponsorships	34,000	23,000	26,000	31,000
RN to BSN Program	36,832	-	18,000	18,832
Disaster Relief	9,648	-	-	9,648
Essential Equipment	6,562	10,000	6,562	10,000
<i>Time Restrictions</i>	-	5,000	-	5,000
	<u>\$ 87,042</u>	<u>\$ 69,203</u>	<u>\$ 50,562</u>	<u>\$ 105,683</u>

### Note 6 – 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 earn a minimum of \$5,000 during each calendar year and have attained the age of 21 years. The employer contributions are immediately vested. The Foundation contributed \$3,167 and \$2,864 during the years ended July 31, 2020 and 2019, respectively.

### Note 7 - Special Events

The Foundation derived net support and revenue from the following special fundraising event during the year ended July 31, 2020:

	<b>Support a Healthier Haiti</b>	<b>Other Events</b>	<b>Total</b>
Support and revenue	<u>\$ 25,065</u>	<u>\$ 12,687</u>	<u>\$ 37,752</u>
Less direct costs	<u>(9,995)</u>	<u>(2,093)</u>	<u>(12,088)</u>
Net support and revenue	<u>\$ 15,070</u>	<u>\$ 10,594</u>	<u>\$ 25,664</u>

The Foundation derived net support and revenue from the following special fundraising events during the year ended July 31, 2019:

	Support a Healthier Haiti
Support and revenue	<u>\$ 19,878</u>
Less direct costs	<u>(7,948)</u>
Net support and revenue	<u>\$ 11,930</u>

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2020 and 2019

### Note 8 - Liquidity and Availability of Resources

The Foundation receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Foundation has a liquidity policy to maintain current financial assets less current liabilities at a minimum of four months budgeted operating expenses. To achieve this target, the Foundation forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended July 31, 2020 and 2019, the level of liquidity and reserves was managed within the policy requirements.

The Foundation's financial assets available for general expenditures within one year are as follows at July 31:

	<u>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 443,176	\$ 245,562
Pledges and grants receivable	-	5,000
Prepaid expenses	<u>2,738</u>	<u>2,769</u>
	<u>445,914</u>	<u>253,331</u>
Less amounts not available to be used within one year:		
Assets designated by the board for operational reserve	<u>(74,686)</u>	<u>(101,670)</u>
Financial assets available for general expenditures within one year	<u>\$ 371,228</u>	<u>\$ 151,661</u>

### Note 9 - Commitment

The Foundation leases office space under a two-year operating lease agreement that expires in September 2021, with monthly payments of \$1,050. Rent expense, including utilities and maintenance, was \$12,540 and \$12,360 for the years ended July 31, 2020 and 2019, respectively.

Future annual minimum lease payments required under the noncancelable operating leases are as follows at July 30, 2020:

Year ended July 31	
<u>2021</u>	\$ 12,600
2022	<u>2,100</u>
	<u>\$ 14,700</u>



# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2020 and 2019

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### Note 10 - Concentration of Credit Risk

*Support Concentration.* The Foundation had one donor who compromised 32% of total support and revenue for the year ended July 31, 2020.

*Bank Deposits.* The Foundation maintained cash balances in excess of federally insured limits at certain times during the year ended July 31, 2020.

*Geographical Concentration.* The Foundation receives a substantial amount of its support and revenue 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, 2020 and 2019.

### Note 11- Uncertainty Related to a Virus Pandemic

In December 2019, an outbreak of a novel strain of coronavirus ("COVID-19") originated in Wuhan, China and has since spread to a number of other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states in the U.S., including Michigan, where the Foundation is headquartered, have declared a state of emergency.

Potential impacts to the Foundation include disruptions or restrictions on the Foundation's ability to work which may include restrictions on its ability to provide services, raise funds, and perform necessary administrative tasks. The potential impacts of COVID-19 on the Foundation's funders that may affect the funders' ability to continue supporting the Foundation's operations are unknown.

COVID-19 may also adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could adversely impact the Foundation's operating results. Although management continues to monitor and assess the effects of the COVID-19 pandemic on its operations, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.