

**Haiti Nursing Foundation, Inc.**

(a nonprofit Michigan corporation)

Ann Arbor, Michigan

**Financial Statements**

July 31, 2021 and 2020



# Haiti Nursing Foundation, Inc.

## Table of Contents

---

<b>Independent Accountants' Review Report</b> .....	Pages 1-2
<b>Statements of Financial Position</b> July 31, 2021 (Reviewed) and 2020 (Audited) .....	Page 3
<b>Statement of Activities</b> Year ended July 31, 2021 (Reviewed) .....	Page 4
<b>Statement of Activities</b> Year ended July 31, 2020 (Audited) .....	Page 5
<b>Statement of Functional Expenses</b> Year ended July 31, 2021 (Reviewed) .....	Page 6
<b>Statement of Functional Expenses</b> Year ended July 31, 2020 (Audited) .....	Page 7
<b>Statements of Cash Flows</b> Years ended July 31, 2021 (Reviewed) and 2020 (Audited) .....	Page 8
<b>Notes to Financial Statements</b> .....	Pages 9-15

## **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, Inc. (a nonprofit Michigan corporation), which comprise the statement of financial position as of July 31, 2021 and the related statements of activities, functional expenses, and cash flows for the year 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 entity 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 error.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement 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 conclusion.

### **Accountants' Conclusion**

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

## **Independent Accountants' Review Report (continued)**

### **Prior Year Financial Statements**

The July 31, 2020 financial statements were audited by us, and our report thereon, dated February 3, 2021, expressed an unmodified opinion. We have not performed any auditing procedures since that date.

*Altruic Advisors, CPAs*

Certified Public Accountants

Ann Arbor, Michigan  
April 14, 2022

# Haiti Nursing Foundation, Inc.

## Statements of Financial Position

July 31	2021 (Reviewed)	2020 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 398,949	\$ 443,176
Prepaid expenses	2,769	2,738
Total current assets	401,718	445,914
<b>Equipment</b>		
Computer equipment	2,715	2,715
Less accumulated depreciation	(2,411)	(1,868)
Net equipment	304	847
<b>Other Assets</b>		
Security deposits	500	500
Total other assets	500	500
Total assets	\$ 402,522	\$ 447,261
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,631	\$ 924
Accrued wages and payroll taxes	6,072	9,507
Grants payable	213,175	222,000
Note payable, current portion	3,321	11,337
Total current liabilities	224,199	243,768
<b>Long-Term Liabilities</b>		
Note payable, net of current portion	22,166	14,150
Total liabilities	246,365	257,918
<b>Net Assets</b>		
Without donor restrictions		
Designated for reserves	51,681	74,686
Total without restrictions	51,681	74,686
With donor restrictions	104,476	114,657
Total net assets	156,157	189,343
Total liabilities and net assets	\$ 402,522	\$ 447,261

The accompanying Notes which are an integral part of these financial statements and the Independent Accountants' Review Report on Pages 1 and 2 should be read with these financial statements

# Haiti Nursing Foundation, Inc.

## Statement of Activities

Year ended July 31, 2021 (Reviewed)

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Support and Revenue</b>			
<b>Operating Support</b>			
Contributions and grants	\$ 272,295	\$ 37,675	\$ 309,970
Net assets released from restrictions			
Satisfaction of program restrictions	47,856	(47,856)	-
Total operating support	320,151	(10,181)	309,970
<b>Operating Revenue</b>			
Special event, net	17,636	-	17,636
Total operating revenue	17,636	-	17,636
Total operating support and revenue	337,787	(10,181)	327,606
<b>Operating Expenses</b>			
Program services	311,550	-	311,550
Supporting services			
General and administrative	57,392	-	57,392
Fundraising	17,899	-	17,899
Total supporting services	75,291	-	75,291
Total operating expenses	386,841	-	386,841
Total operating support and revenue in deficit of operating expenses	(49,054)	(10,181)	(59,235)
<b>Other Changes</b>			
Gain on debt forgiveness	25,487	-	25,487
Interest income	287	-	287
Miscellaneous income	275	-	275
Total other changes	26,049	-	26,049
<b>Change in Net Assets</b>	(23,005)	(10,181)	(33,186)
<b>Net Assets, Beginning of Year</b>	74,686	114,657	189,343
<b>Net Assets, End of Year</b>	\$ 51,681	\$ 104,476	\$ 156,157

The accompanying Notes which are an integral part of these financial statements and the Independent Accountants' Review Report on Pages 1 and 2 should be read with these financial statements

# Haiti Nursing Foundation, Inc.

## Statement of Activities

Year ended July 31, 2020 (Audited)

	Without Donor Restrictions	With Donor Restrictions	Total
<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 time restrictions	5,000	(5,000)	-
Total operating support	534,122	8,974	543,096
<b>Operating Revenue</b>			
Special events, net	25,664	-	25,664
Total operating revenue	25,664	-	25,664
Total operating support and revenue	559,786	8,974	568,760
<b>Operating Expenses</b>			
Program services	526,064	-	526,064
Supporting services			
General and administrative	68,270	-	68,270
Fundraising	13,547	-	13,547
Total supporting services	81,817	-	81,817
Total operating expenses	607,881	-	607,881
Total operating support and revenue in excess (deficit) of operating expenses	(48,095)	8,974	(39,121)
<b>Other Changes</b>			
Interest income	879	-	879
<b>Change in Net Assets</b>	(47,216)	8,974	(38,242)
<b>Net Assets, Beginning of Year</b>	121,902	105,683	227,585
<b>Net Assets, End of Year</b>	\$ 74,686	\$ 114,657	\$ 189,343

The accompanying Notes which are an integral part of these financial statements and the Independent Accountants' Review Report on Pages 1 and 2 should be read with these financial statements

# Haiti Nursing Foundation, Inc.

## Statement of Functional Expenses

Year ended July 31, 2021 (Reviewed)

	Program Services	Supporting Services			Total Expenses
		General and Administrative	Fundraising	Total	
Salaries and wages	\$ 51,468	\$ 32,932	\$ 12,499	\$ 45,431	\$ 96,899
Payroll tax expense	4,240	2,714	1,030	3,744	7,984
Benefits	1,137	728	276	1,004	2,141
Total personnel costs	<u>56,845</u>	<u>36,374</u>	<u>13,805</u>	<u>50,179</u>	<u>107,024</u>
Direct FSIL Support:					
General nursing school support	220,776	-	-	-	220,776
Total direct FSIL support	<u>220,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,776</u>
Professional fees	11,642	7,025	1,405	8,430	20,072
Advertising	8,736	5,272	1,054	6,326	15,062
Rent - office	6,699	4,043	808	4,851	11,550
Merchant and bank fees	1,558	940	188	1,128	2,686
Dues and subscriptions	1,444	871	174	1,045	2,489
Insurance	1,109	669	134	803	1,912
Telephone	789	476	95	571	1,360
Miscellaneous	557	337	67	404	961
Copying, printing, and postage	473	285	57	342	815
Hosting and website	427	258	52	310	737
Depreciation	-	543	-	543	543
Supplies and materials	278	168	34	202	480
Board and staff development	217	131	26	157	374
Total expenses	<u>\$ 311,550</u>	<u>\$ 57,392</u>	<u>\$ 17,899</u>	<u>\$ 75,291</u>	<u>\$ 386,841</u>

The accompanying Notes which are an integral part of these financial statements and the Independent Accountants' Review Report on Pages 1 and 2 should be read with these financial statements



# Haiti Nursing Foundation, Inc.

## Statement of Functional Expenses

Year ended July 31, 2020 (Audited)

	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	3,587	717	4,304	10,248
Benefits	1,837	1,108	222	1,330	3,167
Total personnel costs	<u>77,588</u>	<u>46,820</u>	<u>9,364</u>	<u>56,184</u>	<u>133,772</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	128	765	1,820
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	192	39	231	552
Depreciation	-	543	-	543	543
Board and staff development	235	142	28	170	405
Total expenses	<u>\$ 526,064</u>	<u>\$ 68,270</u>	<u>\$ 13,547</u>	<u>\$ 81,818</u>	<u>\$ 607,882</u>

The accompanying Notes which are an integral part of these financial statements and the Independent Accountants' Review Report on Pages 1 and 2 should be read with these financial statements

# Haiti Nursing Foundation, Inc.

## Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended July 31	2021 (Reviewed)	2020 (Audited)
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (33,186)	\$ (38,242)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	543	543
Gain on debt forgiveness	(25,487)	-
Increase (decrease) from changes in assets and liabilities		
Prepaid expenses	(31)	31
Pledges and grants receivable	-	5,000
Accounts payable	707	(1,954)
Accrued wages and payroll taxes	(3,435)	2,429
Grants payable	(8,825)	205,320
Deferred revenue	-	(1,000)
Net cash provided (used) by operating activities	<u>(69,714)</u>	<u>172,127</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from note payable	<u>25,487</u>	<u>25,487</u>
Net cash provided by financing activities	<u>25,487</u>	<u>25,487</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(44,227)</b>	<b>197,614</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b><u>443,176</u></b>	<b><u>245,562</u></b>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 398,949</u></b>	<b><u>\$ 443,176</u></b>

The accompanying Notes which are an integral part of these financial statements and the Independent Accountants' Review Report on Pages 1 and 2 should be read with these financial statements

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2021 (Reviewed) and 2020 (Audited)

---

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

*Nature of Organization.* Haiti Nursing Foundation, Inc. (“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.

*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, 2021 and 2020.

*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, 2021 and 2020.

*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.

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2021 (Reviewed) and 2020 (Audited)

---

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

*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. There were no contributed services during the years ended July 31, 2021 and 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, 2021 and 2020 was \$15,062 and \$15,232, 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 April 14, 2022, the date at which the financial statements were available for release.

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2021 (Reviewed) and 2020 (Audited)

---

### 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, 2021 and 2020, the Foundation provided direct monetary support to FSIL of \$220,776 and \$413,120 respectively.

### Note 3 – Paycheck Protection Program Loans and Subsequent Event

On May 1, 2020, the Foundation was granted a loan ("the PPP Loan") from TCF National Bank 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, 2021.

Under the terms of the PPP, certain amounts of the PPP Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. These qualifying expenses include 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 incurred such qualifying expenses and was granted forgiveness on the PPP Loan on March 18, 2021. The total amount of principal and accrued interest forgiven was \$25,487 and is shown as a gain on debt forgiveness in the accompanying statement of activities for the year ended July 31, 2021.

On March 29, 2021, the Foundation was granted a loan ("the 2nd PPP Loan") from TCF National Bank in the amount of \$25,487, pursuant to the Paycheck Protection Program ("the PPP") under The Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act ("the Economic Aid Act"), which was enacted December 27, 2020.

The 2nd PPP Loan, which was in the form of a promissory note ("the Note") dated March 29, 2021, matures on March 1, 2026 and bears interest at a rate of 1.00% per annum, payable in monthly installments of approximately \$525, commencing on January 29, 2022. The Note may be prepaid by the Foundation at any time prior to maturity with no prepayment penalties. Funds from the 2nd PPP 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 August 29, 2021, or through an alternate period as extended upon request of the Foundation. The Foundation intends to use the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the 2nd PPP Loan may be forgiven if they are used for qualifying expenses as described in the Economic Aid Act.

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2021 (Reviewed) and 2020 (Audited)

### Note 3 – Paycheck Protection Program Loans and Subsequent Event (continued)

Scheduled maturities of the 2nd PPP Loan are as follows at July 31, 2021:

Year ended July 31	Total
2022	\$ 3,321
2023	6,106
2024	6,168
2025	6,230
2026	3,662
	<u>\$ 25,487</u>

*Subsequent Forgiveness of 2nd PPP Loan.* In December 2021, the Foundation received notification of the full forgiveness of the 2nd PPP Loan.

### Note 4 – Net Assets with Donor Restrictions

The balances of net assets with donor restrictions at July 31, 2021 are as follows:

	August 31, 2020			July 31, 2021
<i>Purpose Restriction:</i>	Balance	Additions	Releases	Balance
FNP Program	\$ 40,445	\$ -	\$ 5,856	\$ 34,589
RN to BSN Program	18,832	-	-	18,832
Student Sponsorships	32,000	18,000	32,000	18,000
School Nurse Project	21,380	2,000	10,000	13,380
Staff Vaccinations	-	11,000	-	11,000
Nurse Educator Program	-	5,580	-	5,580
Summer Camp	2,000	-	-	2,000
Solar Charges	-	1,095	-	1,095
	<u>\$ 114,657</u>	<u>\$ 37,675</u>	<u>\$ 47,856</u>	<u>\$ 104,476</u>

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

	August 1, 2019			July 31, 2020
<i>Purpose Restriction:</i>	Balance	Additions	Releases	Balance
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, 2021 (Reviewed) and 2020 (Audited)

---

### Note 5 – Retirement Plan

The 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 \$2,141 and \$3,167 during the years ended July 31, 2021 and 2020, respectively.

### Note 6 – Special Events

The Foundation derived net revenue from the following special fundraising event during the year ended July 31, 2021:

	<b>From Haiti With Love</b>
Revenue	<b>\$ 25,684</b>
Less direct costs	<b>(8,048)</b>
Net revenue	<b><u>\$ 17,636</u></b>

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

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

### Note 7 – 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, 2021 and 2020, the level of liquidity and reserves was managed within the policy requirements.

# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2021 (Reviewed) and 2020 (Audited)

---

### Note 7 – Liquidity and Availability of Resources (continued)

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

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 398,949	\$ 443,176
Less amounts not available to be used within one year:		
Assets designated by the board for operational reserve	<u>(51,681)</u>	<u>(74,686)</u>
Financial assets available for general expenditures within one year	<u>\$ 398,949</u>	<u>\$ 443,176</u>

Substantially all of the Foundation's net asset restrictions are generally released within the next fiscal year. The Foundation anticipates that all net asset restrictions as of July 31, 2021 will be fully released during the next fiscal year.

### Note 8 – Commitment and Subsequent Event

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 \$11,550 and \$12,540 for the years ended July 31, 2021 and 2020, respectively.

Future annual minimum lease payments required under the noncancelable operating leases are as follows at July 31, 2021:

Year ended July 31	
<u>2022</u>	<u>\$ 2,100</u>

*Subsequent Commitment.* In October 2021, the Foundation renewed its lease of office space under a one-year operating lease agreement that expires in September 2022.

### Note 9 – Concentrations of Credit Risk

*Bank Deposits.* The Foundation maintained cash balances in excess of federally insured limits at certain times during the years ended July 31, 2021 and 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, 2021 and 2020.



# Haiti Nursing Foundation, Inc.

## Notes to Financial Statements

July 31, 2021 (Reviewed) and 2020 (Audited)

---

### Note 9 – Concentrations of Credit Risk (continued)

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

### Note 10 – Uncertainty Related to a Virus Pandemic

In December 2020, 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.

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.