

**KONBIT SANTE CAP HAITIEN HEALTH PARTNERSHIP**

**FINANCIAL STATEMENTS**

**September 30, 2016 and 2015**

**With Independent Auditors' Report**

**Blake Hurley McCallum & Conley, LLC · Certified Public Accountants**

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**INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
Konbit Sante Cap Haitien Health Partnership.

We have audited the accompanying financial statements of Konbit Sante Cap Haitien Health Partnership (a nonprofit organization), which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities 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.

**Auditor's 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Konbit Sante Cap Haitien Health Partnership (a nonprofit organization) as of September 30, 2016 and 2015, and the results of its 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.

*Blake Hurley McCallum & Conley, LLC*

Westbrook, Maine

January 5, 2017

# KONBIT SANTE CAP HAITIEN HEALTH PARTNERSHIP

## Statements of Financial Position

September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 317,411	\$ 374,264
Accounts receivable	72,995	29,326
Prepaid expenses	1,380	2,192
Vehicle	12,500	12,500
Accumulated depreciation	<u>(12,500)</u>	<u>(12,500)</u>
<b>Total assets</b>	<u>\$ 391,786</u>	<u>\$ 405,782</u>
<b>Liabilities</b>		
Accounts payable and accrued expenses	<u>\$ 14,233</u>	<u>\$ 18,729</u>
<b>Total liabilities</b>	<u>14,233</u>	<u>18,729</u>
<b>Net assets</b>		
Unrestricted	319,942	296,179
Temporarily restricted	<u>57,611</u>	<u>90,874</u>
<b>Total net assets</b>	<u>377,553</u>	<u>387,053</u>
<b>Total net assets</b>	<u>\$ 391,786</u>	<u>\$ 405,782</u>

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The accompanying notes are an integral part of these financial statements.

KONBIT SANTE CAP HAITIEN HEALTH PARTNERSHIP

Statements of Activities

Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Changes in net assets</b>		
<b>Revenues</b>		
Donations	\$ 247,585	\$ 233,766
Donations in-kind	194,143	610,838
Commission fee revenue	1,183	17,762
Merchandise revenue	5,374	4,156
Program payments	3,112	7,709
Interest income	349	405
Gain (loss) on investments	-	(409)
Gain on foreign currency transactions	34,364	3,616
<b>Total revenues</b>	<u>486,110</u>	<u>877,843</u>
Net assets released from restrictions	<u>333,597</u>	<u>641,234</u>
<b>Total unrestricted support and reclassifications</b>	<u>819,707</u>	<u>1,519,077</u>
<b>Expenditures</b>		
Program direct expenditures:		
General travel and training	62,562	46,663
Supply Chain expenses	187,229	610,763
Infrastructure Programs	44,768	270,181
Community Based Programs	173,427	109,784
Facility Based Programs	55,956	44,433
HHA Support	-	150,000
Emory University Projects	-	2,797
	<u>523,942</u>	<u>1,234,621</u>
Indirect expenditures – U.S.:		
Salaries	146,306	138,751
Benefits	26,621	25,782
Rent & Utilities	12,600	12,600
Office expense	5,778	6,303
Professional fees	5,060	5,110
Bank Charges	2,988	2,185
Board/Committee expenses	5,718	6,039
Marketing/Fundraising/Development	16,787	18,300
	<u>221,858</u>	<u>215,070</u>

The accompanying notes are an integral part of these financial statements.

**KONBIT SANTE CAP HAITIEN HEALTH PARTNERSHIP**

**Statement of Activities (Concluded)**

**Year Ended September 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Indirect expenditures – Haiti:		
Salaries	\$ 34,884	\$ 32,387
Benefits	4,972	4,578
Office expense	7,816	10,497
Bank Charges	2,472	1,657
Depreciation vehicle	-	694
Professional fees	-	8,464
	<u>50,144</u>	<u>58,277</u>
<b>Total expenditures</b>	<u>795,944</u>	<u>1,507,968</u>
<b>Increase in unrestricted net assets</b>	<u>23,763</u>	<u>11,109</u>
<b>Changes in temporarily restricted net assets</b>		
Grants	211,474	353,675
Contributions	88,860	132,950
Net assets released from restrictions	<u>(333,597)</u>	<u>(641,234)</u>
<b>Decrease in temporarily restricted net assets</b>	<u>(33,263)</u>	<u>(154,609)</u>
<b>Decrease in net assets</b>	<u>(9,500)</u>	<u>(143,500)</u>
<b>Net assets, beginning of year</b>	<u>387,053</u>	<u>530,553</u>
<b>Net assets, end of year</b>	<u>\$ 377,553</u>	<u>\$ 387,053</u>

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The accompanying notes are an integral part of these financial statements.

KONBIT SANTE CAP HAITIEN HEALTH PARTNERSHIP

Statement of Cash Flows

Year Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ (9,500)	\$ (143,500)
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities		
Depreciation	-	694
(Gain) loss on investments	-	409
(Increase) decrease in accounts receivable	(43,669)	21,269
(Increase) decrease in prepaid expenses	812	29,948
Increase (decrease) in accounts payable and accrued expenses	<u>(4,496)</u>	<u>(11,909)</u>
<b>Net cash used by operating activities</b>	<u>(56,853)</u>	<u>(103,089)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	<u>-</u>	<u>153,375</u>
<b>Net cash provided by investing activities</b>	<u>-</u>	<u>153,375</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(56,853)	50,286
<b>Cash and cash equivalents, beginning of year</b>	<u>374,264</u>	<u>323,978</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 317,411</u>	<u>\$ 374,264</u>

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The accompanying notes are an integral part of these financial statements.

# KONBIT SANTE CAP HAITIEN HEALTH PARTNERSHIP

## Notes to Financial Statements

September 30, 2016 and 2015

### Nature of Activities

Konbit Sante Cap Haitien Health Partnership (Konbit Sante) is a Maine nonprofit organization formed in 2000. The mission of Konbit Sante is to support the development of a sustainable health care system to meet the needs of the Cap-Haitien community with maximum local direction and support. Konbit Sante operates out of offices in Falmouth, Maine and Cap-Haitien, Haiti. It is supported primarily through contributions and grants received from individuals, foundations and national and international charitable organizations.

### 1. Summary of Significant Accounting Policies

#### Basis of Accounting

The financial statements of Konbit Sante have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

#### Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its FASB ASC 958, "Not-for-Profit Entities." Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Accounts Receivable

Accounts receivable consists primarily of balances that certain organization or individuals have agreed to pay related to certain expenses of the Organization. The Organization uses the allowance method to determine uncollectible accounts, based on prior experience and management's analysis of particular accounts.

# KONBIT SANTE CAP HAITIEN HEALTH PARTNERSHIP

## Notes to Financial Statements

September 30, 2016 and 2015

### 1. Summary of Significant Accounting Policies (Concluded)

#### In-kind Donations

Konbit Sante receives a substantial amount of medical equipment and supplies as well as travel costs and other in-kind donations. Medical equipment and supplies values are management estimates based on input from qualified volunteers and web sources. Travel donations are based on estimated average cost for travel costs. Other in-kind donations are primarily for rent of the Organization's U.S. office and warehouse rent that is for space to store medical equipment and supplies until they are shipped to Haiti. The rents are at estimated fair values determined by the landlords.

#### Contributed Services

Konbit Sante receives a substantial amount of unpaid time from volunteers that perform a variety of tasks and services in support of the organization's programs. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for revenue recognition under applicable accounting standards.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, Konbit Sante considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

#### Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized..

#### Income Taxes

Konbit Sante is a Maine nonprofit corporation and is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and classified by the Internal Revenue Service as other than a private foundation. The Organization's tax returns subsequent to September 2013 are open and subject to examination by federal and state taxing authorities.



# KONBIT SANTE CAP HAITIEN HEALTH PARTNERSHIP

## Notes to Financial Statements

September 30, 2016 and 2015

### 2. Net Assets

Unrestricted net assets represent net assets of the Organization that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations. There are no permanently restricted net assets.

Temporarily restricted net assets at are available for:

	<u>2016</u>	<u>2015</u>
SOIL - ecological sanitation	\$ -	\$ 45,806
HHA - Partnership	-	6,944
ULS RF	-	1,500
SG Foundation	1,953	-
Water system	2,390	1,836
Safe Birthing	1,387	1,320
Dr St Fleur – US Trip	1,139	1,139
Westwind – women’s health	16,074	8,374
Westwind – family planning	-	7,890
Josue Limpervil	2,000	2,000
Amite – mobile clinics	861	5,221
Amite – pediatrics	7,922	-
Laalitha Surapaneni Project – supply chain	7,560	8,844
Maison de Benedictio/Muller	<u>16,325</u>	<u>-</u>
	<u>\$ 57,611</u>	<u>\$ 90,874</u>

### 3. Investments

In 2014 Konbit Sante received a restricted contribution of \$150,000 of shares in the Domini Social Equity Fund. The fair value of the fund at September 30, 2014 was \$153,784. The unrealized gain on the investment at September 30, 2014 was \$3,784. The investment was sold during the year ended September 30, 2015 and a loss of \$409 was recognized on the sale.

### 4. Retirement Plan

Konbit Sante has a defined contribution 401(k) plan covering substantially all U. S. employees. Matching contributions paid by the Company were \$7,108 in the year ended September 30, 2016 and \$7,022 in the year ended September 30, 2015.

# KONBIT SANTE CAP HAITIEN HEALTH PARTNERSHIP

## Notes to Financial Statements

September 30, 2016 and 2015

### 5. Subsequent Events

Subsequent events have been evaluated through January 5, 2017, which is the date the financial statements were available to be issued,