



St. Boniface Haiti Foundation, Inc.

Financial Statements
Years Ended June 30, 2015 and 2014

and
Schedule of Expenditures of Federal Awards and
Reports on Compliance and Internal Control
Year Ended June 30, 2015

ST. BONIFACE HAITI FOUNDATION, INC.

FINANCIAL STATEMENTS
Years Ended June 30, 2015 and 2014

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
REPORTS ON COMPLIANCE AND INTERNAL CONTROL
Year Ended June 30, 2015

ST. BONIFACE HAITI FOUNDATION, INC.

FINANCIAL STATEMENTS
Years Ended June 30, 2015 and 2014

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
REPORTS ON COMPLIANCE AND INTERNAL CONTROL
Year Ended June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
St. Boniface Haiti Foundation, Inc.
Newton, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of St. Boniface Haiti Foundation, Inc. (a nonprofit Organization), which comprise the statements of financial position as of June 30, 2015 and 2014 and the related statements of activities and change in net assets, 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.

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 judgment, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Boniface Haiti Foundation, Inc. as of June 30, 2015 and 2014, 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.

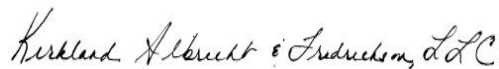
Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2015, on our consideration St. Boniface Haiti Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Boniface Haiti Foundation, Inc.'s internal control over financial reporting and compliance.



Kirkland Albrecht & Fredrickson, LLC
Braintree, Massachusetts

November 24, 2015

ST. BONIFACE HAITI FOUNDATION, INC.

Statements of Financial Position

June 30, 2015 and 2014

	<u>ASSETS</u>	
	<u>2015</u>	<u>2014</u>
CURRENT ASSETS:		
Cash	\$ 637,366	\$ 597,928
Accounts receivable	120,670	42,914
Contributions receivable	91,150	26,710
Inventory	752,177	807,210
Prepaid expenses and other assets	46,486	27,828
	<hr/>	
Total current assets	1,647,849	1,502,590
PROPERTY AND EQUIPMENT, NET	3,525,381	2,448,166
INVESTMENTS, AT FAIR VALUE	2,143,802	2,080,763
	<hr/>	
Total assets	\$ 7,317,032	\$ 6,031,519
	<hr/> <hr/>	
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 255,791	\$ 273,994
Deferred revenue	123,057	569,674
	<hr/>	
Total current liabilities	378,848	843,668
	<hr/>	
NET ASSETS:		
Unrestricted	6,589,922	4,717,796
Temporarily restricted	248,262	370,055
Permanently restricted	100,000	100,000
	<hr/>	
Total net assets	6,938,184	5,187,851
	<hr/>	
Total liabilities and net assets	\$ 7,317,032	\$ 6,031,519
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See notes to financial statements.

ST. BONIFACE HAITI FOUNDATION, INC.

Statements of Activities and Change in Net Assets
Years Ended June 30, 2015 and 2014

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE, GAINS, AND OTHER SUPPORT:								
Contributions	\$ 3,053,136	\$ 475,720	\$ -	\$ 3,528,856	\$ 1,372,656	\$ 630,048	\$ -	\$ 2,002,704
In-kind contributions	4,583,287	-	-	4,583,287	2,847,827	-	-	2,847,827
Foundation grants	991,597	-	-	991,597	858,049	-	-	858,049
Contracts and government grants	821,169	-	-	821,169	1,348,848	-	-	1,348,848
Hospital revenue	158,074	-	-	158,074	144,029	-	-	144,029
Endowment appropriation	2,866	-	-	2,866	1,635	-	-	1,635
Net assets released from capital restrictions	194,114	(194,114)	-	-	5,544	(5,544)	-	-
Net assets released from program restrictions	403,399	(403,399)	-	-	612,288	(612,288)	-	-
Total revenue, gains and other support	10,207,642	(121,793)	-	10,085,849	7,190,876	12,216	-	7,203,092
EXPENSES:								
Program services:								
Hospital	5,595,936	-	-	5,595,936	3,940,883	-	-	3,940,883
AIDS prevention and treatment	437,578	-	-	437,578	461,412	-	-	461,412
Spinal cord injury programs	483,951	-	-	483,951	589,477	-	-	589,477
Maternal and child health	307,768	-	-	307,768	426,484	-	-	426,484
Education programs	152,213	-	-	152,213	157,087	-	-	157,087
Improvement programs	23,206	-	-	23,206	-	-	-	-
Other programs	275,998	-	-	275,998	483,969	-	-	483,969
Total program services	7,276,650	-	-	7,276,650	6,059,312	-	-	6,059,312
Supporting services:								
General and administrative	569,765	-	-	569,765	501,228	-	-	501,228
Fundraising	491,383	-	-	491,383	238,304	-	-	238,304
Total supporting services	1,061,148	-	-	1,061,148	739,532	-	-	739,532
Total expenses	8,337,798	-	-	8,337,798	6,798,844	-	-	6,798,844
Change in net assets from operating activities	1,869,844	(121,793)	-	1,748,051	392,032	12,216	-	404,248
NON-OPERATING ACTIVITIES:								
Investment fees	(12,710)	-	-	(12,710)	(11,147)	-	-	(11,147)
Investment income	88,905	5,660	-	94,565	88,420	1,053	-	89,473
Gain on exchange rate	63,896	-	-	63,896	52,187	-	-	52,187
Loss on retired property and equipment	(68,169)	-	-	(68,169)	-	-	-	-
Realized and unrealized gains (losses) on investments	(69,640)	(2,794)	-	(72,434)	136,599	582	-	137,181
Endowment appropriation	-	(2,866)	-	(2,866)	-	(1,635)	-	(1,635)
Change in net assets from non-operating activities	2,282	-	-	2,282	266,059	-	-	266,059
CHANGE IN NET ASSETS	1,872,126	(121,793)	-	1,750,333	658,091	12,216	-	670,307
Net assets, beginning of year	4,717,796	370,055	100,000	5,187,851	4,059,705	357,839	100,000	4,517,544
Net assets, end of year	\$ 6,589,922	\$ 248,262	\$ 100,000	\$ 6,938,184	\$ 4,717,796	\$ 370,055	\$ 100,000	\$ 5,187,851

See notes to financial statements.

ST. BONIFACE HAITI FOUNDATION, INC.

Statements of Functional Expenses
 Years Ended June 30, 2015 and 2014

	2015								Supporting Services				Total Expenses
	Program Services							Total Program Services	General and		Total Supporting Services		
	Hospital	AIDS Prevention and Treatment	Spinal Cord Injury Programs	Maternal & Child Health	Education Programs	Improvement Programs	Other Programs		Administrative	Fundraising			
Salaries	\$ 857,121	\$ 241,843	\$ 225,563	\$ 114,740	\$ 4,245	\$ 2,183	\$ 16,256	\$ 1,461,951	\$ 289,974	\$ 49,750	\$ 339,724	\$ 1,801,675	
Fringe benefits	161,071	33,862	32,536	27,672	665	509	1,794	258,109	59,182	8,718	67,900	326,009	
Supplies	4,267,533	46,003	86,206	41,228	26,858	171	49,098	4,517,097	21,477	36,537	58,014	4,575,111	
Consultants	-	-	-	-	-	-	153,800	153,800	-	348,311	348,311	502,111	
Other program expenses	44,133	75,511	63,812	52,058	108,562	-	19,263	363,339	-	-	-	363,339	
Depreciation	233,091	35,055	52,363	69,881	1,883	-	-	392,273	1,513	-	1,513	393,786	
Other expenses	382	-	5,236	150	10,000	20,301	5,426	41,495	84,722	35,815	120,537	162,032	
Travel	32,605	5,304	18,235	2,039	-	42	30,361	88,586	17,074	12,252	29,326	117,912	
Audit and legal fees	-	-	-	-	-	-	-	-	49,800	-	49,800	49,800	
Rent	-	-	-	-	-	-	-	-	46,023	-	46,023	46,023	
	<u>\$ 5,595,936</u>	<u>\$ 437,578</u>	<u>\$ 483,951</u>	<u>\$ 307,768</u>	<u>\$ 152,213</u>	<u>\$ 23,206</u>	<u>\$ 275,998</u>	<u>\$ 7,276,650</u>	<u>\$ 569,765</u>	<u>\$ 491,383</u>	<u>\$ 1,061,148</u>	<u>\$ 8,337,798</u>	
	2014												
	Program Services							Total Program Services	Supporting Services		Total Supporting Services	Total Expenses	
Hospital	AIDS Prevention and Treatment	Spinal Cord Injury Programs	Maternal & Child Health	Education Programs	Improvement Programs	Other Programs	Administrative		Fundraising				
Salaries	\$ 601,327	\$ 246,281	\$ 250,617	\$ 177,025	\$ 24,595	\$ -	\$ 40,639	\$ 1,340,484	\$ 317,579	\$ 71,082	\$ 388,661	\$ 1,729,145	
Fringe benefits	92,324	33,454	44,920	27,765	2,354	-	4,311	205,128	53,592	8,520	62,112	267,240	
Supplies	3,018,514	48,956	97,207	95,287	3,479	-	63,227	3,326,670	20,252	69,786	90,038	3,416,708	
Consultants	73,312	-	-	-	-	-	278,700	352,012	-	31,132	31,132	383,144	
Other program expenses	17,951	88,641	64,338	61,128	113,569	-	25,958	371,585	-	-	-	371,585	
Depreciation	113,422	39,510	78,380	51,845	1,883	-	10,566	295,606	5,461	-	5,461	301,067	
Other expenses	2,296	-	10,248	7,166	11,207	-	9,700	40,617	14,620	52,340	66,960	107,577	
Travel	21,737	4,570	43,767	6,268	-	-	46,488	122,830	1,122	5,444	6,566	129,396	
Audit and legal fees	-	-	-	-	-	-	4,380	4,380	42,415	-	42,415	46,795	
Rent	-	-	-	-	-	-	-	-	46,187	-	46,187	46,187	
	<u>\$ 3,940,883</u>	<u>\$ 461,412</u>	<u>\$ 589,477</u>	<u>\$ 426,484</u>	<u>\$ 157,087</u>	<u>\$ -</u>	<u>\$ 483,969</u>	<u>\$ 6,059,312</u>	<u>\$ 501,228</u>	<u>\$ 238,304</u>	<u>\$ 739,532</u>	<u>\$ 6,798,844</u>	

See notes to financial statements.

ST. BONIFACE HAITI FOUNDATION, INC.

Statements of Cash Flows

Years Ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,750,333	\$ 670,307
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	393,786	301,067
Loss on retired property and equipment	68,169	-
In-kind donated property and equipment	(789,969)	(45,420)
In-kind donated construction in progress	-	(85,840)
In-kind donated investments	(55,509)	(36,969)
Realized and unrealized gains on investments	72,434	(137,181)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(77,756)	47,765
Contribution receivable	(64,440)	23,290
Inventory	55,033	17,468
Prepaid expenses and other assets	(18,658)	17,814
Deposits	-	1,875
Increase (decrease) in:		
Accounts payable and accrued expenses	(18,203)	2,603
Deferred revenue	(446,617)	(30,789)
Net cash provided by operating activities	868,603	745,990
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(976,246)	(821,527)
Proceeds from sale of investments	896,282	745,182
Purchase of property and equipment	(1,356,917)	(399,683)
Decrease (Increase) in construction in progress	607,716	(329,362)
Net cash used by investing activities	(829,165)	(805,390)
NET INCREASE (DECREASE) IN CASH	39,438	(59,400)
CASH AT BEGINNING OF YEAR	597,928	657,328
CASH AT END OF YEAR	\$ 637,366	\$ 597,928

See notes to financial statements.

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements

Years Ended June 30, 2015

1. ORGANIZATION

St. Boniface Haiti Foundation, Inc. (the “Organization”) is a nonprofit organization dedicated to provide essential health services to the people of Southern Haiti through clinical and community-based prevention and care, and by training local health practitioners. The Organization supports and operates the St. Boniface Hospital located in Fond des Blancs, Haiti, as well as a satellite clinic in Villa, Haiti. The Organization is supported by donations and is governed by a Board of Trustees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The financial statements of the Organization have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Classification and Reporting of Net Assets – The Organization follows the Financial Accounting Standards Board Accounting Standards Codification “FASB ASC” Subtopic *Presentation of Financial Statements* for not-for-profit entities. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- *Unrestricted net assets* – Net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for support of the Organization as well as funds invested in property, plant and equipment. The Organization may designate portions of its unrestricted net assets as board designated for various purposes.
- *Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or passage of time.
- *Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that must be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

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 effect 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.

Cash – The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements

Years Ended June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Accounts Receivable – Accounts receivable are carried at the original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the need for an allowance by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. At June 30, 2015 and 2014, the Organization considers accounts receivable to be fully collectable; accordingly no allowance for doubtful accounts is required.

Inventory – Inventory consists of medicines and pharmacy supplies which are stated at cost or fair value, if received by donation. Cost is determined on the first-in, first-out method.

Property and Equipment – Property and equipment purchased for use by the Organization is recorded at cost or fair value, if received by donation, at the time such properties are received. Expenditures in the nature of normal repairs and maintenance are expensed as incurred. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis as follows:

<u>Description</u>	<u>Years</u>
Building	30
Furniture and equipment	3-5
Vehicles	3-5

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000.

Constructions in Progress – Costs associated with construction of major projects are accumulated until completion of the project. The completed asset is then depreciated over its useful life after being placed in service.

Valuation of Long-Lived Assets – The Organization accounts for the valuation of long-lived assets in accordance with the FASB ASC Topic *Property, Plant and Equipment*. This Topic requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. At June 30, 2015 and 2014, the Organization has determined that no long-lived assets are impaired.

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements

Years Ended June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Fair Value Measurement – The Organization follows the provisions of *Fair Value Measurements and Disclosures* Topic of the FASB ASC. This Topic clarifies that fair value is an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The *Fair Value Measurements and Disclosures* Topic establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Determining where an asset or liability falls within that hierarchy depends on the lowest level input that is significant to the fair value measurement as a whole. The three levels of the fair value hierarchy are described below.

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 inputs, which include quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Unobservable inputs based on the Organization's assessment of the assumptions that market participants would use in pricing the asset or liability.

The following is a description of the valuation methodologies used for asset investments measured at fair value, as well as the general classification pursuant to the valuation hierarchy. There have been no changes in the methodologies used at June 30, 2015 and 2014.

- **Investments** – All investments have been reported in the financial statements at fair value. The fair value of money market funds, bonds, common stock, government securities, exchange traded funds, closed end funds and mutual funds, are valued based upon quoted prices from an active market. These securities are categorized in Level 1 as they are actively traded and no valuation adjustments have been applied.

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

Investments – Investments, which consist of money market funds, bonds, common stock, government securities, exchange traded funds, closed end funds and mutual funds, are measured at fair value in the accompanying statement of financial position. Investment income (including realized and unrealized gains and losses on investments, interest, and dividends) is reported as increases in unrestricted net assets or temporarily restricted net assets if restricted by the donor.

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements

Years Ended June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Endowment – The Organization’s endowment consists of donor-restricted funds and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization follows the provisions of Subtopic 205 of the FASB ASC that relates to “Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds”. This FASB ASC Subtopic provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of UPMIFA. UPMIFA is a model act approved by the Uniform Law Commission (ULC; formerly known as the National Conference of Commissioners on Uniform State Laws). Effective June 30, 2009, the Commonwealth of Massachusetts adopted UPMIFA in its General Laws chapter 180A. Among UPMIFA’s most significant changes is the elimination of the concept of historic dollar value threshold, the amount below which an organization cannot spend from a fund, in favor of a more robust set of guidelines about what constitutes prudent spending. The FASB ASC Subtopic serves as a guideline for states to use in enacting legislation. This guidance also improves disclosures about an organization’s endowment funds (both donor-restricted endowment funds and board-designated endowment funds).

Return Objectives and Risk Parameters – The Organization has adopted investment and spending policies for endowment assets that attempt to pursue a strategic investment plan that, over the long term, is expected to enhance the real purchasing power of the Organization’s assets while not impairing its ability to meet current obligations. Endowment assets represent Board-designated funds and donors restricted funds for financial statements purposes. Under this strategy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that compare favorably with the results achieved by investment managers of endowment funds with similar investment objectives while assuming a moderate level of investment risk. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives – To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements

Years Ended June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Spending Policy and How the Investment Objectives Relate to Spending Policy –The Organization currently reinvests all earnings of the endowment assets. Any expenditures from the endowment assets must be supported by the Board of Trustees and be consistent with the intent of the donors and the Board designation for that fund. This is consistent with the Organization's objective to ensure that the future growth of the endowment assets is sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant dollar value and purchasing power of the endowment assets held for future operations as well as to provide additional real growth through new gifts and investment return. Board Designated Unrestricted Funds are designated by the Board of Trustees to support emergency needs and general operations of the Organization. The income and the appreciation earned on the Permanently Restricted Funds is available for a medical scholarship program.

Revenue Recognition – Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets by fulfillment of the donor-stipulated purpose or by passage of the stipulated time period are reported as net assets released from restrictions.

The Organization records hospital revenue when services are rendered.

The Organization's AIDS Prevention and Treatment, and Spinal Cord Injury programs are supported by contracts and grants funded through federal agencies.

Contributions – Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Contributions received with donor-imposed restrictions 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 and reported in the statement of activities as net assets released from restrictions.

Contributions of land, buildings, and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset category. Contributions of cash or other assets to be used to acquire land, buildings and equipment with donor stipulations are reported as revenues of the temporarily restricted net asset category; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements

Years Ended June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Contributions...continued – Contributions of services that create or enhance non-financial assets or that require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The fair market value of medical services donated by physicians and medical centers is reflected in the financial statements. Donated investments are reported at fair value at the date of receipt, which is then treated as the Organization's cost basis.

A significant portion of the Organization's activities is conducted by unpaid officers, board members and volunteers. The value of administrative volunteer contributed time is not reflected in the accompanying financial statements since their time does not meet the criteria necessary for recognition.

Income Tax Status – The Organization is exempt from Federal and state income taxes under section 501(c) (3) of the Internal Revenue Code and accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The Organization accounts for uncertain tax positions in accordance with FASB ASC Topic *Income Taxes*. This Topic prescribes a recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. This Topic also provides guidance on recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. At June 30, 2015, management believes that the Organization has no material uncertain tax positions.

The Organization files informational tax returns in the U.S. Federal and Massachusetts state jurisdictions. Management believes the Organization is no longer subject to U.S. federal and state examinations by tax authorities for years before fiscal year 2012.

Functional Expenses – Functional expenses are allocated to the various programs based on direct expenses, which can be identified to the program, and indirect expenses, which are beneficial to more than one program. The indirect expenses are allocated based upon a cost allocation plan using appropriate methods such as time studies, square footage, mileage, etc.

Subsequent Events – The Organization has evaluated all events subsequent to the statement of financial position date of June 30, 2015, through the date which the financial statements were available to be issued, November 24, 2015, and has determined that there are no subsequent events that require disclosure under FASB ASC Topic *Subsequent Events*.

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements
Years Ended June 30, 2015

3. INVENTORY

Inventory totaling \$752,177 and \$807,210 at June 30, 2015 and 2014, respectively, consisted of medicines and pharmacy supplies.

4. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following as of June 30:

	<u>2015</u>	<u>2014</u>
Land	\$ 107,167	\$ 107,167
Buildings	3,259,746	1,307,961
Furniture and equipment	1,674,157	1,566,326
Vehicles	881,630	862,529
Construction in progress	<u>42,568</u>	<u>650,284</u>
	5,965,268	4,494,267
Less accumulated depreciation	<u>2,439,887</u>	<u>2,046,101</u>
Property and equipment, net	<u>\$ 3,525,381</u>	<u>\$ 2,448,166</u>

Construction in progress represents costs incurred in connection with the construction of an isolation ward, surgical center, operating room renovations, a surgeon residence and water improvements.

Isolation ward project costs as of June 30, 2015 totaled \$19,111. The isolation ward is expected to be completed by December 2018 at an estimated total cost of \$485,000.

Surgical center project costs as of June 30, 2015 totaled \$1,116. The surgical center is expected to be completed by November 2016 at an estimated total cost of \$1,200,000.

Project costs associated with the operation room renovations and surgeon residence as of June 30, 2015 totaled \$18,705 and \$685, respectively. Both projects were completed in August of 2015 at a total cost of \$35,000 and \$4,000, respectively.

Water improvement project costs as of June 30, 2015 totaled \$2,950. The water improvements project is expected to be completed by December 2015 at an estimated total cost of \$75,000.

At June 30, 2014, construction in progress represented costs incurred in connection with the construction of the maternity center and a medical storage depot of \$539,906 and \$110,378, respectively. The maternity center and medical storage depot were placed in service during the year ended June 30, 2015. The total costs as part of building improvements at June 30, 2015 were \$1,082,150 and \$110,378, respectively.

Depreciation expense for the years ended June 30, 2015 and 2014 totaled \$393,786 and \$301,067, respectively.

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements

Years Ended June 30, 2015

5. FAIR VALUE MEASUREMENT

Assets Measured at Fair Value on a recurring basis as of June 30, 2015 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 21,563	\$ -	\$ -	\$ 21,563
Bonds:				
Corporate	542,191	-	-	542,191
Municipal	<u>255,972</u>	<u>-</u>	<u>-</u>	<u>255,972</u>
	<u>798,163</u>	<u>-</u>	<u>-</u>	<u>798,163</u>
Common stock:				
Financials	158,050	-	-	158,050
Information technology	51,165	-	-	51,165
Health care	42,512	-	-	42,512
Consumer discretionary	38,362	-	-	38,362
Industrial	36,480	-	-	36,480
Energy	34,059	-	-	34,059
Consumer staples	31,092	-	-	31,092
Other	25,164	-	-	25,164
Materials	18,632	-	-	18,632
Telecommunication service	5,848	-	-	5,848
Utilities	<u>4,918</u>	<u>-</u>	<u>-</u>	<u>4,918</u>
	<u>446,282</u>	<u>-</u>	<u>-</u>	<u>446,282</u>
Government securities	<u>125,742</u>	<u>-</u>	<u>-</u>	<u>125,742</u>
Exchange traded and closed end funds	<u>483,621</u>	<u>-</u>	<u>-</u>	<u>483,621</u>
Mutual funds:				
Intermediate-term bond	125,707	-	-	125,707
High yield bond	43,037	-	-	43,037
Real estate	41,445	-	-	41,445
Financial services	31,239	-	-	31,239
High yield bond	<u>27,003</u>	<u>-</u>	<u>-</u>	<u>27,003</u>
	<u>268,431</u>	<u>-</u>	<u>-</u>	<u>268,431</u>
	<u>\$ 2,143,802</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,143,802</u>

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements

Years Ended June 30, 2015

5. FAIR VALUE MEASUREMENT...continued

Assets Measured at Fair Value on a recurring basis as of June 30, 2014 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 18,946	\$ -	\$ -	\$ 18,946
Bonds:				
Corporate	497,424	-	-	497,424
Municipal	<u>256,494</u>	<u>-</u>	<u>-</u>	<u>256,494</u>
	<u>753,918</u>	<u>-</u>	<u>-</u>	<u>753,918</u>
Common stock:				
Financials	139,628	-	-	139,628
Industrials	48,455	-	-	48,455
Information technology	43,638	-	-	43,638
Consumer discretionary	40,024	-	-	40,024
Energy	36,338	-	-	36,338
Health care	33,520	-	-	33,520
Consumer staples	28,139	-	-	28,139
Other	16,733	-	-	16,733
Materials	14,695	-	-	14,695
Utilities	6,225	-	-	6,225
Telecommunication service	<u>5,625</u>	<u>-</u>	<u>-</u>	<u>5,625</u>
	<u>413,020</u>	<u>-</u>	<u>-</u>	<u>413,020</u>
Government securities	<u>118,443</u>	<u>-</u>	<u>-</u>	<u>118,443</u>
Exchange traded and closed end funds	<u>519,940</u>	<u>-</u>	<u>-</u>	<u>519,940</u>
Mutual funds:				
Intermediate-term bond	117,940	-	-	117,940
Real estate	56,319	-	-	56,319
Financial services	43,107	-	-	43,107
High yield bond	<u>39,130</u>	<u>-</u>	<u>-</u>	<u>39,130</u>
	<u>256,496</u>	<u>-</u>	<u>-</u>	<u>256,496</u>
	<u>\$ 2,080,763</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,080,763</u>

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements
Years Ended June 30, 2015

6. INVESTMENTS

Investments at June 30, 2015 are stated at fair value and consisted of the following:

	Fair Value	Cost	Unrealized Gain (Loss)
Money market	\$ 21,563	\$ 19,666	\$ 1,897
Bonds	798,163	803,294	(5,131)
Common stock	446,282	388,458	57,824
Government securities	125,742	125,663	79
Exchange traded and closed end funds	483,621	490,075	(6,454)
Mutual funds	268,431	271,044	(2,613)
	<u>\$ 2,143,802</u>	<u>\$ 2,098,200</u>	<u>\$ 45,602</u>

Investments at June 30, 2014 are stated at fair value and consisted of the following:

	Fair Value	Cost	Unrealized Gain
Money market	\$ 18,946	\$ 18,946	\$ -
Bonds	753,918	737,651	16,267
Common stock	413,020	332,983	80,037
Government securities	118,443	117,487	956
Exchange traded and closed end funds	519,940	481,905	38,035
Mutual funds	256,496	244,079	12,417
	<u>\$ 2,080,763</u>	<u>\$ 1,933,051</u>	<u>\$ 147,712</u>

The composition of the investment return as reported in statement of activities for the years ended June 30, 2015 and 2014 is as follows:

	2015	2014
Investment income	\$ 94,565	\$ 89,473
Investment fees	(12,710)	(11,147)
Net realized and unrealized gain (losses) on investments	<u>(72,434)</u>	<u>137,181</u>
	<u>\$ 9,421</u>	<u>\$ 215,507</u>

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements

Years Ended June 30, 2015

7. ENDOWMENTEndowment Net Asset Composition by Type of Fund as of June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ -	\$ 100,000	\$ 100,000
Board-designated endowment funds	<u>2,043,802</u>	<u>-</u>	<u>-</u>	<u>2,043,802</u>
Total funds	<u>\$ 2,043,802</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 2,143,802</u>

Changes in Endowment Net Assets for the Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,980,763	\$ -	\$ 100,000	\$ 2,080,763
Investment return:				
Investment income	87,014	5,660	-	92,674
Net depreciation (realized and unrealized)	(69,640)	(2,794)	-	(72,434)
Investment fees	<u>(12,710)</u>	<u>-</u>	<u>-</u>	<u>(12,710)</u>
Total investment return	<u>4,664</u>	<u>2,866</u>	<u>-</u>	<u>7,530</u>
Other changes:				
Endowment appropriation	2,866	(2,866)	-	-
Donated investments	<u>55,509</u>	<u>-</u>	<u>-</u>	<u>55,509</u>
Total other changes	<u>58,375</u>	<u>(2,866)</u>	<u>-</u>	<u>55,509</u>
Endowment net assets, end of year	<u>\$ 2,043,802</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 2,143,802</u>

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements

Years Ended June 30, 2015

7. ENDOWMENT...continuedEndowment Net Asset Composition by Type of Fund as of June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ -	\$ 100,000	\$ 100,000
Board-designated endowment funds	<u>1,980,763</u>	<u>-</u>	<u>-</u>	<u>1,980,763</u>
Total funds	<u>\$ 1,980,763</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 2,080,763</u>

Changes in Endowment Net Assets for the Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,730,268	\$ -	\$ 100,000	\$ 1,830,268
Investment return:				
Investment income	86,439	1,053	-	87,492
Net appreciation (realized and unrealized)	136,599	582	-	137,181
Investment fees	<u>(11,147)</u>	<u>-</u>	<u>-</u>	<u>(11,147)</u>
Total investment return	<u>211,891</u>	<u>1,635</u>	<u>-</u>	<u>213,526</u>
Other changes:				
Endowment appropriation	1,635	(1,635)	-	-
Donated investments	<u>36,969</u>	<u>-</u>	<u>-</u>	<u>36,969</u>
Total other changes	<u>38,604</u>	<u>(1,635)</u>	<u>-</u>	<u>36,969</u>
Endowment net assets, end of year	<u>\$ 1,980,763</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 2,080,763</u>

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements
Years Ended June 30, 2015

8. DEMAND NOTE PAYABLE, BANK

The Organization has a \$500,000 line of credit with a bank. Advances bear interest at various rates based on draw down amount. The rate in effect at June 30, 2015 and 2014 was 3.69% and 3.65%, respectively. The agreement is secured by the long and short-term investment accounts of the Organization. At June 30, 2015 and 2014 there was no outstanding balance on the line of credit. There is no expiration date on the line of credit.

9. IN-KIND CONTRIBUTIONS

The Organization received \$4,583,287 and \$2,847,827, respectively of in-kind contributions for the years ended June 30, 2015 and 2014, respectively. Following is a breakdown of the sources of income and the categories of expenses and assets for in-kind contributions:

	<u>2015</u>	<u>2014</u>
Income received:		
Consultants	\$ 473,676	\$ 352,012
Medicines/food/other supplies	3,264,133	2,327,586
Property and equipment	789,969	45,420
Construction in progress	-	85,840
Investments	<u>55,509</u>	<u>36,969</u>
Total in-kind contributions received	<u>\$ 4,583,287</u>	<u>\$ 2,847,827</u>
Expenses reported:		
Supplies	\$ 3,264,133	\$ 2,327,586
Consultants	<u>473,676</u>	<u>352,012</u>
Total in-kind expenses reported	<u>3,737,809</u>	<u>2,679,598</u>
Assets reported:		
Property and equipment	789,969	45,420
Construction in progress	-	85,840
Investments	<u>55,509</u>	<u>36,969</u>
Total in-kind assets reported	<u>845,478</u>	<u>168,229</u>
Total in-kind expenses and assets reported	<u>\$ 4,583,287</u>	<u>\$ 2,847,827</u>

10. COMMITMENT

In May 2013, the Organization entered into a lease agreement for its new office space in Newton, Massachusetts. The lease agreement started August 1, 2013 and expires July 31, 2018. The base rent is \$3,835 per month plus a monthly electricity charge of \$281.

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements

Years Ended June 30, 2015

10. COMMITMENT...continued

Total minimum future lease payments under the operating lease are as follows:

<u>Years</u>	<u>Amounts</u>
2016	\$ 46,023
2017	46,023
2018	46,023
2019	<u>3,835</u>
	<u>\$ 141,904</u>

Lease expense for the years ended June 30, 2015 and 2014 was \$46,023 and \$46,187, respectively.

11. RELATED PARTY TRANSACTIONS

The board chair of the Organization is also a volunteer board member of Build Health International, a nonprofit organization, which provided construction services in connection with the construction of the Organization's maternity center. The construction services and supply reimbursement totaled \$115,197 and \$25,759 for the years ended June 30, 2015 and 2014, respectively.

12. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Building construction and repairs projects	\$ 119,724	\$ 277,180
Time restriction	91,150	26,710
Education programs	32,272	27,448
Community development projects	3,742	8,034
Other programs	1,374	13,689
Clinical operations	<u>-</u>	<u>16,994</u>
Total temporarily restricted net assets	<u>\$ 248,262</u>	<u>\$ 370,055</u>

13. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consisted of an endowment totaling \$100,000 as of June 30, 2015 and 2014. The income and the appreciation earned on the permanent endowment is available for a medical scholarship program.

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements

Years Ended June 30, 2015

14. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions by incurring expenses or costs satisfying the restricted purposes or by occurrence of events specified by the donors consisted of the following as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Clinical operations	\$ 198,025	\$ 426,469
Education programs	109,136	58,198
Other programs	50,582	67,848
Time restrictions	26,000	-
Community development projects	19,365	41,064
Catastrophic illness fund	291	659
Staff and board capacity building	-	16,200
Nutrition programs	-	1,850
	<u>403,399</u>	<u>612,288</u>
Net assets released from program restrictions	403,399	612,288
Endowment appropriation	2,866	1,635
Net assets released from capital restrictions	<u>194,114</u>	<u>5,544</u>
	<u>\$ 600,379</u>	<u>\$ 619,467</u>

15. RETIREMENT PLAN

The Organization has a qualified defined contribution retirement plan (the Plan) for all eligible employees. The Plan is designed in accordance with the provisions of Section 403(b) of the Internal Revenue Code. Contributions are made by the Plan participants based on participant elections. Under the plan, employees may contribute up to the IRS indexed maximum amount for each calendar year. In addition, the Organization may make matching contributions to the plan at the discretion of the Board of Directors. During the years ended June 30, 2015 and 2014, the Organization did not make any contribution to the Plan.

SUPPLEMENTAL INFORMATION

ST. BONIFACE HAITI FOUNDATION, INC.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Pass-through programs from:			
Christian Medical Mission Board-USCC: Global Aids	93.067	1U2GGH000181-01	\$ 415,312
Unite de Gestion du Projet MSPP/PEPFAR: Global Aids	93.067	5U2GP003182-04	<u>21,979</u>
Total U.S. Department of Health and Human Services			<u>437,291</u>
United States Agency for International Development:			
Pass-through programs from:			
Jhpiego Corporation: USAID Foreign Assistance for Program Overseas	98.001	AID-0AA-A-14-00028	<u>7,614</u>
Direct programs:			
Foreign Assistance to American Schools and Hospitals Abroad	98.006	AID-ASHA-A-14-00015	19,111
USAID Foreign Assistance for Program Overseas	98.001	AID-521-A-14-00006	<u>321,672</u>
Subtotal Agency for International Development direct programs			<u>340,783</u>
Total United States Agency for International Development			<u>348,397</u>
Total Expenditures of Federal Awards			<u>\$ 785,688</u>

ST. BONIFACE HAITI FOUNDATION, INC.

Schedule of Expenditures of Federal Awards...continued

Year Ended June 30, 2015

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of St. Boniface Haiti Foundation, Inc. and is presented on the general accepted accounting principle. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Trustees
St. Boniface Haiti Foundation, Inc.
Newton, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited St. Boniface Haiti Foundation, Inc. (the "Organization") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2015. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of St. Boniface Haiti Foundation, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, St. Boniface Haiti Foundation, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

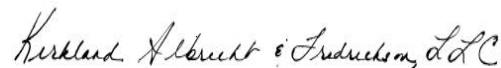
Report on Internal Control over Compliance

Management of St. Boniface Haiti Foundation, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of St. Boniface Haiti Foundation, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Kirkland Albrecht & Fredrickson, LLC
Braintree, Massachusetts

November 24, 2015

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Trustees
St. Boniface Haiti Foundation, Inc.
Newton, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of St. Boniface Haiti Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 24, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Boniface Haiti Foundation, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Boniface Haiti Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Boniface Haiti Foundation, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

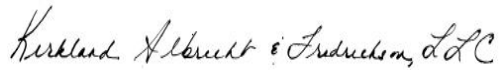
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Boniface Haiti Foundation, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Kirkland Albrecht & Fredrickson, LLC
Braintree, Massachusetts

November 24, 2015

ST. BONIFACE HAITI FOUNDATION, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2015

A. SUMMARY OF AUDIT RESULTSFinancial Statements

- | | | |
|----|----------------------------------------------------------------------------------------------|------------|
| 1. | Type of auditor's report issued: | Unmodified |
| 2. | Internal control over financial reporting: | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | No |
| 3. | Noncompliance material to financial statements noted? | No |

Federal Awards

- | | | |
|----|------------------------------------------------------------------------------------------------------------------------|------------|
| 4. | Internal control over major programs: | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | No |
| 5. | Type of auditor's report issued on compliance for major programs | Unmodified |
| 6. | Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? | No |
| 7. | Identification of major programs: | |

- | | <u>Name of Federal Program or Cluster</u> | <u>CFDA Number</u> |
|----|-----------------------------------------------------------------------------------|--------------------|
| | USAID Foreign Assistance for Programs Overseas | 98.001 |
| 8. | Dollar threshold used to distinguish between Type A programs and Type B programs: | \$300,000 |
| 9. | Auditee qualifies as a low risk auditee? | Yes |

B. FINANCIAL STATEMENT FINDINGS

None

C. MAJOR FEDERAL AWARD PROGRAM FINDINGS AND QUESTIONED COSTS

None

ST. BONIFACE HAITI FOUNDATION, INC.

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2015

A. FINANCIAL STATEMENT FINDINGS

None

B. MAJOR FEDERAL AWARD PROGRAM FINDINGS AND QUESTIONED COSTS

None