

**Fondation St. Luc – Haiti**

**Financial Statements**

**For the years ended December 31, 2016 and 2015**

# **Fondation St. Luc – Haiti**

## **Financial Statements**

**For the years ended December 31, 2016 and 2015**

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## **Message from the Executive Director**

Dear Benefactors and Friends,

The St Luc Foundation for Haiti takes great pride in its origins.

The foundation grew out of the very successful program for orphaned and vulnerable children called “Nuestros Pequeños Hermanos.”

NPH was founded in Mexico in 1954, by Fr. William Wasson, and is now active in nine countries.

Fr. Wasson lived with the hope that the young people who would grow up in his wide family, and would benefit from his schools and also from his unique formula for raising children, would grow up to be compassionate and generous Christian leaders in their own countries, caring especially for the poor and marginalized.

The founders and directors of Fondation St Luc, were raised and educated in the Haitian branch of NPH, called Nos Petits Freres et Soeurs.

These young leaders have risen to the occasion, and honored Fr. Wasson’s vision for them, by forming the Fondation St Luc in the year 2000, as they enthusiastically entered the arena of adulthood, in the challenging country that is Haiti.

The scope of the work of the foundation is impressive, and includes a healthcare system, and educational system, community development, agriculture, and disaster relief. The website is here referenced: [stlukehaiti.org](http://stlukehaiti.org)

Fondation St Luc is authorized by the Haitian government, and is a mission of the Roman Catholic Church. The Foundation takes as it’s patron the great St Luke, Evangelist and Physician.

Fondation St Luc is an autonomous and independent Foundation, sole owner and manager of all it’s programs, assets and activities, managed by Haitian directors and teams, responsible before Haitian law and society for all aspects of her vast mission,

In the USA, the St Luke Foundation for Haiti is an independent fundraising organization, which exists only to raise funds and other resources for Fondation St Luc in Haiti. There is an identical fundraising branch of the same name in Canada.

Fondation St Luc in Haiti is indebted and grateful to many of organizations and foundations in multiple countries, whose generous help provides the funding for her many works.

Haiti is an enormously challenging country. I personally have invested the last 30 years of my life here, and know how true this is.

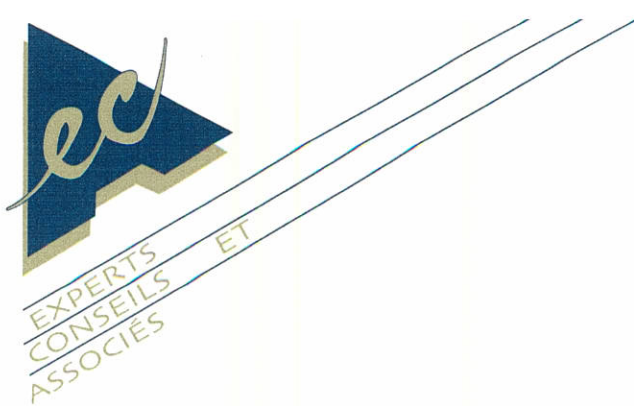
Each year brings it’s own unique opportunities and disasters.  
2016 brought us the blessing of the construction of the new St Luke Hospital.

It also brought us tragic destruction wrought by Hurricane Matthew.

With God's help and yours, we meet the challenges and pledge to keep building a better future for the people of Haiti.

Thank you for your much appreciated help.

Fr Richard Frechette CP DO  
President, Fondation St Luc, Haiti



## **Independent Auditors' Report On the Financial Statements**

To the Directors of  
Fondation St. Luc – Haiti

We have audited the accompanying financial statements of Fondation St. Luc – Haiti, which comprise the statements of financial position as of December 31, 2016 and 2015, the related statements of activities, functional expense, 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 audits 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 due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Fondation St. Luc – Haiti'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 Fondation St. Luc Haiti'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 Fondation St. Luc – Haiti as of December 31 2016 and 2015, 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.

*Expes Comito Associs*

Chartered Accountants

June 14, 2017

## Fondation St. Luc – Haiti

### Statements of Financial Position

As of December 31, 2016 and 2015

(Expressed in US Dollars)

	December 31, 2016	December 31, 2015
<b>Assets</b>		
Current assets		
Bank - Local Currency	\$ 551,832	\$ 1,397,829
Bank - US Dollars accounts in Haiti	1,420,492	174,793
Account Receivable	82,456	50,271
Certificat of deposit BNC-Sogebank	127,897	-
Undeposit Funds	15,944	-
<b>Total Current Assets</b>	<b>\$ 2,198,621</b>	<b>\$ 1,622,893</b>
<b>Fixed Assets (note 6)</b>		
Buildings	15,951,010	14,589,649
Construction	1,721,777	327,590
Land	4,122,650	3,958,905
Machinery & Equipements	2,215,991	2,014,624
Véhicles	1,096,171	614,898
<b>Total Fixed Assets</b>	<b>25,107,599</b>	<b>21,505,666</b>
Accumulated Depreciation		
Buildings	(3,011,068)	(2,213,518)
Machinery & Equipements	(1,509,661)	(1,066,463)
Vehicles	(850,866)	(576,822)
	<u>(5,371,595)</u>	<u>(3,856,803)</u>
<b>Net Fixed Assets</b>	<b>19,736,004</b>	<b>17,648,863</b>
<b>TOTAL ASSETS</b>	<b>\$ 21,934,625</b>	<b>\$ 19,271,756</b>
<b>Liabilities and Net Assets</b>		
Accounts Payable (note 7)	164,622	518,310
<b>Total Liabilities</b>	<b>\$ 164,622</b>	<b>\$ 518,310</b>
<b>Net Assets</b>		
UnRestricted	21,758,890	18,713,855
Temporarily Restricted	11,113	39,591
<b>Total net assets</b>	<b>21,770,003</b>	<b>18,753,446</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 21,934,625</b>	<b>\$ 19,271,756</b>

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

## Fondation St. Luc – Haiti

### Statements of Activities

For the years ended December 2016, 2015  
(Expressed in US Dollars)

	December 31, 2016			December 31, 2015			
	Notes	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenues</b>							
Grants revenues from donors	(note 3)	\$ 5,572,321	\$ 4,740,466	\$ 10,312,787	\$ 5,379,699	\$ 4,576,598	\$ 9,956,297
Other income	(note 4)	1,955,898	-	-	1,622,723	-	1,622,723
		7,528,219	4,740,466	12,268,685	7,002,422	4,576,598	11,579,020
Net assets released from restrictions		1,167,011	(1,167,011)	-	958,666	(958,666)	-
Fund released for acquisitions of fixed assets (note 6)		3,601,933	(3,601,933)	-	3,604,474	(3,604,474)	-
<b>Total Revenues</b>		12,297,163	(28,478)	12,268,685	11,565,562	13,458	11,579,020
<b>Expenses</b>							
Program Services:							
Agriculture		316,120	-	316,120	339,363	-	339,363
Community Development		767,827	-	767,827	824,283	-	824,283
Disaster Relief		713,077	-	713,077	765,507	-	765,507
Education		3,026,551	-	3,026,551	3,249,084	-	3,249,084
Healthcare		1,415,176	-	1,415,176	1,519,229	-	1,519,229
NPFS Program		77,945	-	77,945	83,676	-	83,676
Renewable Energy		524,989	-	524,989	563,590	-	563,590
Social Business		891,011	-	891,011	956,526	-	956,526
Total Program Services		7,732,696	-	7,732,696	8,301,258	-	8,301,258
Supporting Services:							
Depreciation		1,514,791	-	1,514,791	1,286,132	-	1,286,132
Others		4,641	-	4,641	-	-	-
Total Supporting Services		1,519,432	-	1,519,432	1,286,132	-	1,286,132
<b>Total expenses</b>		9,252,128	-	9,252,128	9,587,390	-	9,587,390
<b>Changes in Net Assets</b>							
Net Assets, at beginning of the year		3,045,035	(28,478)	3,016,557	1,978,172	13,458	1,991,630
Net Assets, at the end of the year		18,713,855	39,591	18,753,446	16,735,683	26,133	16,761,816
<b>Net Assets, at the end of the year</b>		<b>\$ 21,758,890</b>	<b>\$ 11,113</b>	<b>\$ 21,770,003</b>	<b>\$ 18,713,855</b>	<b>\$ 39,591</b>	<b>\$ 18,753,446</b>

The accompanying notes are integral part of the financial Statements



## Fondation St. Luc – Haiti

### Statements of Functional Expenses

For the years ended December 2016, 2015

(Expressed in US Dollars)

	For the year ended December 31, 2016			For the year ended December 31, 2015		
	PROGRAM SERVICES	SUPPORTING SERVICES	TOTAL	PROGRAM SERVICES	SUPPORTING SERVICES	TOTAL
Salaries & Benefits	\$ 3,334,928	\$ -	\$ 3,334,928	\$ 3,816,112	\$ -	\$ 3,816,112
Administration	-	-	-	111,548	-	111,548
Clothing	-	-	-	8,357	-	8,357
Force Lakay (Community Support)	1,077,869	-	1,077,869	380,904	-	380,904
Utility & Services	550,093	-	550,093	390,003	-	390,003
Garden, Security, Plant Management	274,323	-	274,323	522,305	-	522,305
Education	436,280	-	436,280	652,685	-	652,685
Cost of Production	388,149	-	388,149	715,924	-	715,924
Transportation	358,177	-	358,177	348,888	-	348,888
Medical	243,838	-	243,838	477,616	-	477,616
Housing & Building Materials	289,667	-	289,667	380,788	-	380,788
Transfers to other Charities	226,705	-	226,705	10,000	-	10,000
Cleaning, Maintenance & Repairs	131,539	-	131,539	170,447	-	170,447
Others	314,844	4,782	319,626	-	-	-
Food	69,682	-	69,682	94,882	-	94,882
Furnitures, Furnishings, Office & Other Equipment	26,336	-	26,336	123,719	-	123,719
Fundraising & Promotion	6,611	-	6,611	97,080	-	97,080
Shipments & Customs	3,655	-	3,655	-	-	-
Depreciation expenses	-	1,514,650	1,514,650	-	1,286,132	1,286,132
	<b>\$ 7,732,696</b>	<b>\$ 1,519,432</b>	<b>\$ 9,252,128</b>	<b>\$ 8,301,258</b>	<b>\$ 1,286,132</b>	<b>\$ 9,587,390</b>

## Fondation St. Luc – Haiti

### Statements of Cash Flows

(Expressed in US Dollars)

	<u>For the year ended December 31, 2016</u>	<u>For the year ended December 31, 2015</u>
<b>OPERATING ACTIVITIES</b>		
Excess of income over expenses	\$ 3,016,557	\$ 1,991,630
Items not affecting cash:		
Depreciation	1,514,791	1,286,132
Change in Operating Assets and Liabilities:		
Accounts Receivable	(32,185)	(40,871)
Certificat of deposit BNC-Sogebank	(127,897)	-
Undeposit Funds	(15,944)	-
Liabilities	<u>(353,687)</u>	<u>389,629</u>
Net cash provided by operating activities	<u>4,001,635</u>	<u>3,626,520</u>
<b>INVESTING ACTIVITIES</b>		
Additions to fixed assets	<u>(3,601,933)</u>	<u>(3,604,474)</u>
Increase in cash during the year	399,702	22,046
Cash, beginning of year	<u>1,572,622</u>	<u>1,550,576</u>
<b>Cash, end of year</b>	<u><b>\$ 1,972,324</b></u>	<u><b>\$ 1,572,622</b></u>

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

## **Fondation St. Luc – Haiti**

### **Notes to the Financial Statements**

**For the years ended December 31, 2016 and 2015**

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#### **1. History and operations of the Institution**

##### **Origin**

The St. Luc Foundation started informally in 1990 when the National Director of Nos Petits Freres et Soeurs, Haiti began doing medical work in the poor areas of Port au Prince. A number of unemployed graduates of the NPFS system started to help him, since they were eager for work in a country of massive unemployment. They learned important skills fast, and it was soon evident that many of them could organize large scale an important humanitarian venture.

This led to the formation of schools, clinics, food programs, sports programs, higher education abroad, and social justice engagements including burial of the destitute dead of the city morgue.

The program was named after St. Luke, who was a physician and evangelist, since the work of the foundation was gospel based, educational, humanitarian and geared toward good health and fullness of life. For many years, the Foundation was part of the work of the Archdiocese of Port au Prince, with the blessing and support of the late Archbishop Joseph Serge Miot. In 2010, the process was started to legalize the St. Luc Fondation as a private foundation, and was completed in 2011.

##### **Evolution**

The Board of Directors consists of the International Director, the National director, and two Committee Members. Various committees assist the National Director in the formation of programs, their ongoing improvement and oversight. As of this writing the committees oversee 32 community based schools comprising over 12,000 students, a large cholera center, multiple healthcare clinics involving general medical care, prenatal care, and the formation on the St. Luc Family Hospital and St Mary Field Hospital. The committees also manage a production and training center known as Francisville, which brings in some revenue and is paving the way to help support St Luke programs through social businesses. All St Luke programs are geared toward education, development, and sustainability. The committees are also responsible for managing relief work and charitable activities in the community.

##### **Finances**

The Catholic Religious Congregation of priests and brothers known as The Passionists was the first and main source of funding of the St. Luc programs. The Passionists were eager to invest in programs for disadvantaged youth, conceived and managed by local

leaders. In recognition of this generous help, the St. Luc Fondation incorporated the sign (logo) of the Passionists into the logo of St. Luke.

The Passionists have an account in the USA, at City National Bank, designated for work in Latin America and the Caribbean. Virtually all of these funds are available to the mission of St. Luc in Haiti. The directors in Haiti have no access to this account. It belongs to the Passionists and is audited as part of the Passionist audit. However, the St. Luc Fondation has online viewing access to the account activities, which is important for budget planning, and requests transfers to Haiti as necessary. Not all the funds in that account are from Passionists or Passionist benefactors. Some U.S. donors give to the St. Luc programs through the Passionists 501c3. When the funds are transferred to Haiti, they enter the responsibility of the St. Luc managers. Funds received and used in Haiti are subject to the St. Luc accounting procedures and auditing process.

However, the official bank account for St Luke Foundation in the USA is located in Bank of America. St Luke Foundations in the USA is its own registered 501c3.

Funders of Nos Petits Freres et Soeurs programs also became interested in funding some St. Luc projects for three reasons:

1. St. Luc is a new generation of NPFS involvement, basing leadership on graduates of NPFS.
2. St. Luc activity increases the profile of activity of the funders in Haiti, to fundraising advantage in many cases.
3. The programs are creative and represent a wider variety of ways to help.

In Haiti, the accounts for St. Luc Fondation are located in Capital Bank. Various accounts include General Operations (US \$), General Operations (Haitian Gourdes), and accounts for particular programs. All accounts, whether in Haiti or abroad, are managed on Quickbooks Online.

Fundraising and processing of donations in the USA is largely by word of mouth, internet publicity, applications for grants, and direct solicitation of donations. All of this work, as well as the related acknowledgements and administration, are done by volunteers. The few costs involved are offset by a private donor. In 2015, we started investing more in fundraising, but even with this investments 97% of funds collected in the USA are transferred to the mission in Haiti, with only 5% retained in USA for fundraising and overhead.

## **2. Summary of significant accounting policies**

### **Basis of presentation**

The financial statements are expressed in US dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America.

## Donations

Donations received in cash or kinds are recorded in the period in which they are received. Donations in kind are recorded at the declared value by the donor or at an estimated fair market value determined by the management of the Institution.

## Expenses

Expenses are recorded when incurred.

## Fixed assets and depreciation

Fixed assets are recorded at cost or at the value declared by the donor.

Expenditures for repairs and maintenance are charged to operations as incurred.

Depreciation is provided for using the straight-line method at rates based on the estimated useful lives of the depreciable assets, principally as follows:

Buildings	20 years
Vehicles	4 years
Furniture and office equipment	5 years

## Construction in progress

Building renovation costs are capitalized and are recorded as construction in progress. When these improvements are completed, the related costs are transferred to the building account and depreciated.

### 3. Grant Revenues from Donors

Grant Revenues from donors for the year ended December 31, 2016 are classified for programs as follows:

#### 1. Income from Artist for peace & Justice (USA)

Income from Artist for peace & Justice	<u>\$ 1,638,115</u>
<b>Total Income from Artist for peace &amp; Justice (USA)</b>	<b><u>\$ 1,638,115</u></b>

#### 2. Income from General sources

Income from General sources	\$ -
Direct relief International	<u>77,721</u>
<b>Total Income from General Sources</b>	<b><u>\$ 77,721</u></b>

#### 3. Income from Other NPH Offices

St Luke Foundation USA	\$ 3,313,639
NPFS Haiti	28,039
NPH Austria	15,508
NPH Deutschland	1,416,316
NPH Espana	50,553

NPH France	21,900
NPH Ireland	11,167
NPH Italia	1,294,152
NPH-Die Schweiz	15,000
NPH Nederland (Wereldouders)	<u>5,475</u>

**Total Income from Other NPH Offices** 6,174,011

**4. Income from Our Little Brothers & sisters (USA)**

Income from Our Little Brothers & Sisters (USA)	<u>452,215</u>
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**Total Income from Our Little Brothers  
& Sisters (USA)** 452,215

**5. Income from Various Organizations**

Andrea Bocelli Foundation	<u>1,972,987</u>
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**Total Income from Various Organizations** 1,972,987

**Total Contributions** \$ 10,312,787

**4. Other Income**

Other Income includes revenues from various donations and from the following activities:

. Contributions Education Programs	368,116
. Contributions Francisville Production	210,764
. Contributions from Agriculture	32,415
. Contributions Healthcare Programs	428,969
. Contributions Villa Francesca	26,675
. Income from various Organizations	64,349
. Income Generated from activities	12,533
. Various Other Donations	539,962
. Bank Interest	227
. In Kind Income	<u>271,888</u>

**Total Other Income** \$ 1,955, 898

**5. Expenses**

The St. Luc team, made up in large part by graduates of the NPFS program, necessarily works in the most challenging areas of Haitian society. The goal is, as a matter of justice, to bring to the poorest people the benefits of education and healthcare, in the context of

Christian faith. A secondary goal is to provide jobs which humanize and dignify the many disgraceful conditions in which people live. Consequently, the St. Luc team works in constant exposure to danger, and conditions which challenge attempts to organize and create infrastructure. Hurricanes and other natural disasters, the reality of armed gangs and kidnapers, the unruliness of desperate masses of people which little or no formation and the pressures of behavior geared toward survival are the constant background of the St. Luc workers. These represent a formidable challenge to any success.

In spite of the challenges, the St. Luc team creates work, and the work generates life giving activity (which also spurs on hope) in the following programs:

### **Agricultural Programs**

Investment in food security (agriculture, apiculture, pisciculture, livestock) as a food sources for St Luc and NPFS Programs

Investment in ecology (reviving the failing bee populations, composting, crop rotation, restoring fallow farmland)

### **Community Development**

Construction of housing

Investment in cemeteries, and burial of destitute dead

Programs with youth for peace and community building

Sessions with community leaders for conflict management

Food Distributions

Investment in Sports Activities for youth

Workforces for cleaning neighborhoods and draining canals

### **Disaster Relief**

Tri-phased response to specific disasters- earthquakes, hurricanes, floods, fires, floods:

Phase of immediate assistance for relief of actual hardship and suffering (water and dry clothes in flood, medical assistance in earthquake, etc).

Phase of regeneration (replanting of farmlands, restocking lost cattle, restoring a lost livelihood like fishing, etc)

Phase of reconstruction (repairing destroyed homes and schools, rebuilding roads, etc)

### **Education**

Operation and supervision of St Luc School system, 35 shools of all levels except University

Ongoing formation for our own staffs

Travel opportunities for enrichment and learning

### **Healthcare**

Operation and oversight of an adult hospital, a field hospital, and a number of clinics

Taylored Surgical and medical interventions for people living in the areas of Port au Prince with densest poverty

Routine Clinics in community based settings

Community Health Education

Prenatal care, Cervical Cancer screening, Malnutrition clinics at two sites

Transformation of St Luc medical systems to internet based learning and electronic medical records

Hosting and promoting seminars in continuing medical education

### **Support to Nos Petits Freres et Soeurs**

NPFS is the mother of St Luc Foundation. Adults who were raised as children at NPFS are the founders and leaders of NPFS.

St Luc Foundation supports NPFS programs in this way:

Free warehouse space for central pharmacy and depot

Hosting of the central grid and central laundry

Management of the morgue, and the burials of children who die at St Damien hospital

Investment in infrastructural improvements and repairs St Damien Hospital

Management of tilapia program at St Damien benefiting NPFS Program de Vie

Managing the central ambulance service for NPFS and St Luc healthcare systems

### **Renewable Energy**

Construction and management of the central grid, the hybrid generator-solar system that supplies NPFS and St Luc programs in Tabarre

Operation of a solar energy company called START that helps schools and other small scale projects become solar powered.

Ongoing training in the field of solar energy to interested parties in Haiti

### **Social Businesses**

Small businesses to provide for needs of other organizations involved in helping professions

Small businesses to create work opportunities especially for the disabled

Helping marginalized people start a small business for family sustenance

Francisville Center: Large volume production of bread, pasta, cement block, cobblestone

Industrial sewing, Solar energy center, commercial laundry service, vehicle repair shop, mechanic and welding shop, farming



**Fondation St. Luc – Haiti**
**Notes to Financial Statements**
**For the years ended December 31, 2016 and 2015**
**6. Fixed Assets**

	<b>COST</b>				<b>December 31, 2016</b>
	<b>December 31, 2015</b>	<b>Acquisitions</b>	<b>Adjustments <sup>(1)</sup></b>	<b>Transfers</b>	
Buildings	\$ 14,589,649	1,361,361	\$ -	\$ -	\$ 15,951,010
Vehicles	614,898	481,273	-	-	1,096,171
Machinery and Equipments	2,014,624	201,367	-	-	2,215,991
Land	3,958,905	163,745	-	-	4,122,650
Construction in Progress	327,590	1,394,187	-	-	1,721,777
	<b><u>\$ 21,505,666</u></b>	<b><u>\$ 3,601,933</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 25,107,599</u></b>
	<b>ACCUMULATED DEPRECIATION</b>				
	<b>December 31, 2015</b>	<b>Depreciation</b>	<b>Adjustments <sup>(1)</sup></b>	<b>Transfers</b>	<b>December 31, 2016</b>
Buildings	\$ 2,213,517	\$ 797,551	\$ -	\$ -	\$ 3,011,068
Vehicles	576,823	274,043	-	-	850,866
Machinery and Equipments	1,066,463	443,198	-	-	1,509,661
	<b><u>\$ 3,856,803</u></b>	<b><u>\$ 1,514,791</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 5,371,594</u></b>

**7. Accounts payable**

Liabilities of \$ 164,622 and \$ 518,310 at December 2016 and 2015 respectively, represent checks issued that were still outstanding as of those dates.

**8. Reclassification**

Certain prior year amounts have been reclassified for consistency with the current period presentation.