St. Boniface Haiti Foundation, Inc.

Financial Statements

Years Ended June 30, 2011 and 2010

Kirkland Albrecht & Fredrickson, LLC

CERTIFIED PUBLIC ACCOUNTANTS

ST. BONIFACE HAITI FOUNDATION, INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2011 and 2010

ST. BONIFACE HAITI FOUNDATION, INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2011 and 2010

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of financial position of St. Boniface Haiti Foundation, Inc. as of June 30, 2011 and 2010, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the St. Boniface Haiti Foundation, Inc.'s management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Kirkland Albrecht & Fredrickson, LLC

Kirkland Albrecht & Fredrickson, LLC
Braintree, Massachusetts

March 5, 2012

ST. BONIFACE HAITI FOUNDATION, INC.

Statements of Financial Position
June 30, 2011 and 2010

ASSETS

		2011		2010
CURRENT ASSETS:				
Cash	**$**	**1,019,765**	$	1,040,632
Accounts receivable		**139,255**		-
Inventory		**1,405,535**		339,166
Prepaid expenses and other assets		**68,532**		7,631
Deposits		**1,875**		1,875
Total current assets		**2,634,962**		1,389,304
PROPERTY, PLANT AND EQUIPMENT, NET		**1,217,657**		867,741
INVESTMENTS, AT FAIR VALUE		**1,520,432**		422,932
Total assets	**$**	**5,373,051**	$	2,679,977

LIABILITIES AND NET ASSETS

		2011		2010
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	**$**	**201,052**	$	49,559
Deferred revenue		**649,287**		-
Total current liabilities		**850,339**		49,559
NET ASSETS:				
Unrestricted		**4,251,034**		1,508,821
Temporarily restricted		**271,678**		1,121,597
Total net assets		**4,522,712**		2,630,418
Total liabilities and net assets	**$**	**5,373,051**	$	2,679,977

See notes to financial statements.

ST. BONIFACE HAITI FOUNDATION, INC.

Statements of Activities and Change in Net Assets
Years Ended June 30, 2011 and 2010

	2011			2010		
	Unrestricted	**Temporarily Restricted**	**Total**	Unrestricted	Temporarily Restricted	Total
REVENUE, GAINS, AND OTHER SUPPORT:						
Contributions	**$ 1,479,942**	**$ 446,312**	**$ 1,926,254**	$ 281,450	$ 1,491,110	$ 1,772,560
In-kind contributions	**3,557,370**	**-**	**3,557,370**	1,858,668	-	1,858,668
Foundation grants	**681,941**	**-**	**681,941**	236,019	205,675	441,694
Contracts and government grants	**1,336,497**	**-**	**1,336,497**	697,325	-	697,325
Hospital revenue	**171,868**	**-**	**171,868**	197,185	-	197,185
Net assets released from restriction	**1,296,231**	**(1,296,231)**	**-**	782,291	(782,291)	-
Total revenue, gain and other support	**8,523,849**	**(849,919)**	**7,673,930**	4,052,938	914,494	4,967,432
EXPENSES:						
Program services:						
Hospital	**3,369,400**	**-**	**3,369,400**	2,355,340	-	2,355,340
AIDS prevention and treatment	**1,027,060**	**-**	**1,027,060**	669,761	-	669,761
Education programs	**189,008**	**-**	**189,008**	145,044	-	145,044
Other programs	**825,248**	**-**	**825,248**	349,135	-	349,135
Total program services	**5,410,716**	**-**	**5,410,716**	3,519,280	-	3,519,280
Supporting services:						
General and administrative	**304,200**	**-**	**304,200**	264,931	-	264,931
Fundraising	**175,140**	**-**	**175,140**	156,598	-	156,598
Total supporting services	**479,340**	**-**	**479,340**	421,529	-	421,529
Total expenses	**5,890,056**	**-**	**5,890,056**	3,940,809	-	3,940,809
Change in net assets from the operating activities	**2,633,793**	**(849,919)**	**1,783,874**	112,129	914,494	1,026,623
NON-OPERATING ACTIVITIES:						
Loss on sale of property and equipment	**-**	**-**	**-**	(18,836)	-	(18,836)
Investment income	**49,530**	**-**	**49,530**	11,832	-	11,832
Realized and unrealized gains on investments	**58,890**	**-**	**58,890**	16,715	-	16,715
Change in net assets from non-operating activities	**108,420**	**-**	**108,420**	9,711	-	9,711
CHANGE IN NET ASSETS	**2,742,213**	**(849,919)**	**1,892,294**	121,840	914,494	1,036,334
NET ASSETS, BEGINNING OF YEAR	**1,508,821**	**1,121,597**	**2,630,418**	1,386,981	207,103	1,594,084
NET ASSETS, END OF YEAR	**$ 4,251,034**	**$ 271,678**	**$ 4,522,712**	$ 1,508,821	$ 1,121,597	$ 2,630,418

See notes to financial statements.

ST. BONIFACE HAITI FOUNDATION, INC.

Statement of Functional Expenses
Year Ended June 30, 2011

	Program Services					Supporting Services			
	Hospital	AIDS Prevention and Treatment	Education Programs	Other Programs	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Expenses
Accounting and fundraising consulting	$ -	$ 22,000	$ -	$ -	$ 22,000	$ 37,200	$ -	$ 37,200	$ 59,200
Audit and legal fees	-	35,004	-	-	35,004	26,346	-	26,346	61,350
Consultants	338,075	8,936	-	4,978	351,989	-	-	-	351,989
Depreciation	88,067	70,940	-	2,780	161,787	9,281	-	9,281	171,068
Fringe benefits	109,006	71,419	976	22,599	204,000	24,815	6,362	31,177	235,177
Other expenses	265	182	46,428	259,115	305,990	21,520	21,345	42,865	348,855
Other program expenses	28,683	141,346	121,933	49,268	341,230	-	-	-	341,230
Rent	-	-	-	-	-	38,357	-	38,357	38,357
Salaries	424,905	499,277	13,215	206,175	1,143,572	130,191	80,833	211,024	1,354,596
Supplies	2,355,530	154,422	6,170	221,607	2,737,729	8,642	59,039	67,681	2,805,410
Travel	24,869	23,534	286	58,726	107,415	7,848	7,561	15,409	122,824
	$ 3,369,400	$ 1,027,060	$ 189,008	$ 825,248	$ 5,410,716	$ 304,200	$ 175,140	$ 479,340	$ 5,890,056

ST. BONIFACE HAITI FOUNDATION, INC.

Statement of Functional Expenses

Year Ended June 30, 2010

	Program Services					Supporting Services			
	Hospital	AIDS Prevention and Treatment	Education Programs	Other Programs	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Expenses
Accounting and fundraising consulting	$ -	$ 24,000	$ -	$ -	$ 24,000	$ 24,924	$ -	$ 24,924	$ 48,924
Audit and legal fees	-	44,598	-	-	44,598	18,078	-	18,078	62,676
Consultants	202,205	6,775	-	5,000	213,980	924	-	924	214,904
Depreciation	80,283	44,552	852		125,687	6,617	-	6,617	132,304
Fringe benefits	55,393	46,071	-	1,040	102,504	16,539	5,751	22,290	124,794
Other expenses	-	-	-	-	-	34,852	89,226	124,078	124,078
Other program expenses	55,201	55,448	143,198	80,874	334,721	-	-	-	334,721
Rent	-	-	-	-	-	25,428	-	25,428	25,428
Salaries	357,813	372,962	-	2,445	733,220	121,431	60,000	181,431	914,651
Supplies	1,573,035	55,348	994	202,985	1,832,362	12,279	-	12,279	1,844,641
Travel	31,410	20,007	-	56,791	108,208	3,859	1,621	5,480	113,688
	$ 2,355,340	$ 669,761	$ 145,044	$ 349,135	$ 3,519,280	$ 264,931	$ 156,598	$ 421,529	$ 3,940,809

See notes to financial statements.

ST. BONIFACE HAITI FOUNDATION, INC.

Statements of Cash Flows
Years Ended June 30, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	**$ 1,892,294**	$ 1,036,334
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	**171,068**	132,304
In-kind donated property and equipment	**(67,573)**	(10,891)
Realized and unrealized gains on investments	**(58,890)**	(16,715)
Loss on sale of property and equipment	**-**	18,836
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	**(139,255)**	-
Inventory	**(1,066,369)**	(218,778)
Prepaid expenses and other assets	**(60,901)**	(5,476)
Increase (decrease) in:		
Accounts payable and accrued expenses	**151,493**	30,710
Deferred revenue	**649,287**	(83,990)
Net cash provided by operating activities	**1,471,154**	882,334
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	**(1,931,256)**	(182,416)
Proceeds from sale of investments	**892,646**	228,996
Purchase of property and equipment	**(345,411)**	(163,642)
Increase in construction in progress	**(108,000)**	-
Proceeds from sale of property and equipment	**-**	20,000
Net cash used by in investing activities	**(1,492,021)**	(97,062)
NET INCREASE (DECREASE) IN CASH	**(20,867)**	785,272
CASH AT BEGINNING OF YEAR	**1,040,632**	255,360
CASH AT END OF YEAR	**$ 1,019,765**	$ 1,040,632
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paide during the year for:		
Interest	**$ -**	$ -
NON-CASH INVESTING ACTIVITIES:		
Property and equipment donated	**$ 67,573**	$ 10,891

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements
Years Ended June 30, 2011 and 2010

1. ORGANIZATION

St. Boniface Haiti Foundation, Inc. (the Foundation) is a nonprofit organization dedicated to consistently and significantly aiding the poor people of Fond des Blancs, a rural region of the Republic of Haiti. The Foundation is the primary financial supporter of and provides significant operational resources to the St. Boniface Hospital located in Fond des Blancs. The Foundation conducts outreach and education programs, provides humanitarian aid, and sponsors work retreats, all of which contribute to the area's economic, social and environmental development. The Foundation 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 Foundation 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.

Financial Statement Presentation – The Foundation 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 represent the portion of net assets of the Foundation that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. The Foundation may designate portions of its unrestricted net assets as board designated for various purposes.
- Temporarily restricted net assets represent contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations.
- Permanently restricted net assets represent contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation. As of June 30, 2011 and 2010, the Foundation had no permanently restricted net assets.

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. These differences could be significant.

Cash – For purpose of the statement of cash flows, the Foundation considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

ST. BONIFACE HAITI FOUNDATION, INC.
Notes to Financial Statements
Years Ended June 30, 2011 and 2010

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, 2011 and 2010, the Foundation considers accounts receivable to be fully collectable; accordingly no allowance for doubtful accounts is required.

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

Property, Plant and Equipment – Property and equipment purchased for use by the Foundation 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:

Description	Years
Building	30
Furniture and equipment	3-5
Vehicles	3-5

The Foundation follows the practice of capitalizing all expenditures for property and equipment in excess of $500.

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 place in service.

Valuation of Long-Lived Assets – The Foundation 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, 2011 and 2010, the Foundation has determined that no long-lived assets are impaired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Investment income, and investment gains and losses are reported as increases in unrestricted net assets or temporarily restricted net assets if restricted by the donor.

Fair Value Measurement – The Foundation 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 hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 – Quoted market prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than level 1 inputs that are either directly or indirectly observable.
- Level 3 – Unobservable inputs developed using the Foundation's estimates and assumptions, which reflect those that market participants would use

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, 2011 and 2010.

- **Investments** – All investments have been reported in the financial statements at fair value. The fair value of these money market funds, corporate bonds, common stock, municipal bonds, mutual funds, and government bonds 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 Foundation 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Endowment – The Foundation's endowment includes 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.

Interpretation of Relevant Law
The Foundation 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 Foundation 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 Foundation's assets while not impairing its ability to meet current obligations. Endowment assets represent Board-designated funds. Under this policy, 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 Foundation 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 Foundation 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, 2011 and 2010

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Endowment…continued – Spending Policy and How the Investment Objectives Relate to Spending Policy The Foundation's policy is to reinvest 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 Board designation for that fund. This is consistent with the Foundation'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 operations of the Foundation.

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 Foundation records hospital revenue from the St. Boniface Hospital in Haiti when services are rendered.

The Foundation's AIDS prevention and treatment program is supported by contracts and grants funded by 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.

However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted.

In-Kind Contributions – 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

In-Kind 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.

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

Donated investments are also reported at fair value at the date of receipt, which is then treated as the Foundation's cost basis.

Income Tax Status – The Foundation is qualified under Section 501(c) (3) of the Internal Revenue Code and is exempt from Federal and state income taxes.

Accounting principles generally accepted in the United States of America require the Foundation's management to evaluate tax positions taken by the Foundation and recognize a tax liability (or asset) if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the Foundation, and has concluded that as of June 30, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to tax examinations for years prior to June 30, 2008.

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

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.

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements
Years Ended June 30, 2011 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Recent Accounting Pronouncements – In May 2011, FASB issued Accounting Standards Update (ASU) 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs, (ASU 2011-04).* ASU 2011-04 amended Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, to converge the fair value measurement guidance in GAAP and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. The management of the Foundation is currently evaluating the effect that the provisions of ASU 2011-04 will have on the financial statements.

In January 2010, the Financial Accounting Standards Board issued new guidance and clarifications for improving disclosures about fair value measurements. This guidance requires enhanced disclosures regarding transfers in and out of the levels within the fair value hierarchy. Separate disclosures are required for transfers in and out of Level 1 and 2 fair value measurements, and the reasons for the transfers must be disclosed. In the reconciliation for Level 3 fair value measurements, separate disclosures are required for purchases, sales, issuances, and settlements on a gross basis. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements, which are effective for interim and annual reporting periods beginning after December 15, 2010. The adoption of this guidance did not have a material impact on the Foundation's financial statements.

Subsequent Events – The Foundation has evaluated all events subsequent to the statement of financial position date of June 30, 2011, through the date which the financial statements were available to be issued, March 5, 2012, 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, 2011 and 2010

3. INVENTORY

Inventory at June 30, 2011 and 2010, is made up of the following:

	2011	2010
Nutrition program food	$ 35,123	$ 84,809
Medicines and pharmacy supplies	1,370,412	254,357
Total	$ 1,405,535	$ 339,166

4. PROPERTY AND EQUIPMENT, NET

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

	2011	2010
Land	$ 26,300	$ 26,300
Buildings	815,453	806,447
Furniture and equipment	854,636	651,800
Vehicles	618,935	417,792
Construction in progress	108,000	-
	2,423,324	1,902,339
Less accumulated depreciation	1,205,667	1,034,598
Property and equipment, net	$ 1,217,657	$ 867,741

Construction in progress represents costs incurred in connection with the construction of a new spinal cord center. Completion is expected by March 2012. The estimated total cost of the project is approximately $217,000.

Depreciation expense for the years ended June 30, 2011 and 2010 totaled $171,068 and $132,304, respectively.

ST. BONIFACE HAITI FOUNDATION, INC.
Notes to Financial Statements
Years Ended June 30, 2011 and 2010

5. FAIR VALUE MEASUREMENT

Assets Measured at Fair Value on a recurring basis as of June 30, 2011 are as follows:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 37,221	$ -	$ -	$ 37,221
Corporate bonds	587,124	-	-	587,124
Common stock				
Financials	119,085	-	-	119,085
Information technology	36,815	-	-	36,815
Consumer discretionary	29,406	-	-	29,406
Industrials	27,053	-	-	27,053
Health care	26,994	-	-	26,994
Energy	26,687	-	-	26,687
Consumer staples	17,688	-	-	17,688
Materials	14,002	-	-	14,002
Telecommunication service	7,069	-	-	7,069
Utilities	6,580	-	-	6,580
Total common stock	311,379	-	-	311,379
Municipal bonds	303,392	-	-	303,392
Mutual funds				
Intermediate-term bond	90,378	-	-	90,378
Emerging market	31,467	-	-	31,467
High yield bond	29,379	-	-	29,379
Real estate	24,105	-	-	24,105
Managed future	17,331	-	-	17,331
Total mutual funds	192,660	-	-	192,660
Government bonds	88,656	-	-	88,656
	$ 1,520,432	$ -	$ -	$ 1,520,432

ST. BONIFACE HAITI FOUNDATION, INC.

Notes to Financial Statements
Years Ended June 30, 2011 and 2010

5. FAIR VALUE MEASUREMENT...continued

Assets Measured at Fair Value on a recurring basis as of June 30, 2010 are as follows:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 28,325	$ -	$ -	$ 28,325
Common stock	196,655	-	-	196,655
Corporate bonds	112,372	-	-	112,372
Government bonds	65,869	-	-	65,869
Mutual funds	19,711	-	-	19,711
	$ 422,932	$ -	$ -	$ 422,932

6. INVESTMENTS

Investments at June 30, 2011 are stated at fair value and consisted of the following:

	Fair Value	Cost	Unrealized Gain (Loss)
Money market	$ 37,221	$ 37,221	$ -
Corporate bonds	587,124	588,643	(1,519)
Common stock	311,379	277,579	33,800
Municipal bonds	303,392	297,735	5,657
Mutual funds	192,660	190,364	2,296
Government bonds	88,656	86,840	1,816
	$ 1,520,432	$ 1,478,382	$ 42,050

Investments at June 30, 2010 are stated at fair value and consisted of the following:

	Fair Value	Cost	Unrealized Gain (Loss)
Money market	$ 28,325	$ 28,325	$ -
Common stock	196,655	210,223	(13,568)
Corporate bonds	112,372	117,387	(5,015)
Government bonds	65,869	63,712	2,157
Mutual funds	19,711	23,062	(3,351)
	$ 422,932	$ 442,709	$ (19,777)

ST. BONIFACE HAITI FOUNDATION, INC.
Notes to Financial Statements
Years Ended June 30, 2011 and 2010

6. INVESTMENTS...continued

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2011 and 2010:

	2011	2010
Investment income	$ 49,530	$ 11,832
Net realized and unrealized gain (losses) on investments	58,890	16,715
	$ 108,420	$ 28,547

7. ENDOWMENT

Endowment Net Asset Composition by Type of Fund as of June 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	$ 1,520,432	$ -	$ -	$ 1,520,432
Total funds	$ 1,520,432	$ -	$ -	$ 1,520,432

Changes in Endowment Net Assets for the Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 422,932	$ -	$ -	$ 422,932
Investment return:				
Investment income	45,771	-	-	45,771
Net appreciation (realized and unrealized)	58,890	-	-	58,890
Investment expense	(7,161)	-	-	(7,161)
Total investments return	97,500	-	-	97,500
Other changes:				
Transfers out	(250,000)	-	-	(250,000)
Transfers in	1,250,000	-	-	1,250,000
Total other changes	1,000,000	-	-	1,000,000
Endowment net assets, end of year	$ 1,520,432	$ -	$ -	$ 1,520,432

ST. BONIFACE HAITI FOUNDATION, INC.
Notes to Financial Statements
Years Ended June 30, 2011 and 2010

7. **ENDOWMENT**…continued

Endowment Net Asset Composition by Type of Fund as of June 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	$ 422,932	$ -	$ -	$ 422,932
Total funds	$ 422,932	$ -	$ -	$ 422,932

Changes in Endowment Net Assets for the Year Ended June 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 452,797	$ -	$ -	$ 452,797
Investment return:				
Investment income	8,183	-	-	8,183
Net appreciation (realized and unrealized)	16,715	-	-	16,715
Investment expense	(4,974)	-	-	(4,974)
Total investments return	19,924	-	-	19,924
Other changes:				
Transfers out	(85,000)	-	-	(85,000)
Investments donated	35,211	-	-	35,211
Total other changes	(49,789)	-	-	(49,789)
Endowment net assets, end of year	$ 422,932	$ -	$ -	$ 422,932

ST. BONIFACE HAITI FOUNDATION, INC.
Notes to Financial Statements
Years Ended June 30, 2011 and 2010

8. IN-KIND CONTRIBUTIONS

The Foundation received $3,557,370 and $1,858,668, respectively of in-kind contributions for the years ended June 30, 2011 and 2010, respectively. Following is a breakdown of the sources of income and the categories of expenses and assets for in-kind contributions:

	2011	2010
Income received:		
Services provided by medical personnel	$ 313,965	$ 168,933
Medicines/food	2,705,474	1,615,671
Property and equipment	67,573	10,891
Other supplies	470,358	63,173
Total in-kind contributions received	$ 3,557,370	$ 1,858,668
Expenses reported:		
Supplies	$ 3,175,832	$ 1,678,844
Consultants	313,965	168,933
Total in-kind expenses reported	3,489,797	1,847,777
Assets reported:		
Property and equipment	67,573	10,891
Total in-kind expenses and assets reported	$ 3,557,370	$ 1,858,668

9. COMMITMENT

In November 2010, The Foundation entered into a lease agreement for its office space in Randolph, Massachusetts that expires in October 2013. The total monthly lease payment is $4,000 per month.

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

Years	Amounts
2012	$ 48,000
2013	48,000
2014	16,000
	$ 112,000

Lease expense for the years ended June 30, 2011 and 2010 was $38,357 and $25,428, respectively.

ST. BONIFACE HAITI FOUNDATION, INC.
Notes to Financial Statements
Years Ended June 30, 2011 and 2010

10. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following as of June 30 2011 and 2010:

	2011	2010
Building construction and repairs projects	$ 94,725	$ 6,650
Education programs	60,825	124,631
Nutrition programs	56,380	54,710
Spinal cord injury program	15,000	-
Nursing program	14,492	-
Social service program	11,664	12,145
Community development projects	10,006	10,527
Catastrophic Illness Fund	6,586	9,348
Other programs	2,000	13,525
Haiti Earthquake Disaster Relief program	-	890,061
Total temporarily restricted net assets	$ 271,678	$ 1,121,597

11. 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, 2011 and 2010:

	2011	2010
Haiti Earthquake Disaster Relief program	$ 903,113	$ 447,680
Hospital program	126,164	-
Education programs	109,199	104,547
Other programs	97,562	160,181
Community development projects	22,471	56,553
Nutrition programs	18,400	7,069
Nursing program	16,078	-
Catastrophic Illness Fund	2,763	1,971
Social service program	481	4,290
	$ 1,296,231	$ 782,291

12. RETIREMENT PLAN

The Foundation has a defined contribution retirement plan (the Plan) for substantially all employees in Randolph, Massachusetts. 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.