

**ST. BONIFACE HAITI FOUNDATION, INC.
D/B/A
HEALTH EQUITY INTERNATIONAL
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

AND

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND
REPORTS ON COMPLIANCE AND INTERNAL CONTROL
YEAR ENDED JUNE 30, 2019**

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International
Newton, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and changes 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. d/b/a Health Equity International as of June 30, 2019 and 2018, 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

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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 audit 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 12, 2019, on our consideration of St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International'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 solely 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 the effectiveness of St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International's 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. d/b/a Health Equity International's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Braintree, Massachusetts
November 12, 2019

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018**

ASSETS

	<u>2019</u>	<u>2018</u>
Current assets:		
Cash	\$ 1,050,309	\$ 1,069,420
Certificates of deposit	-	504,271
Accounts receivable	282,802	307,971
Contributions receivable, current	370,104	744,123
Inventory, net	941,790	876,212
Prepaid expenses and other current assets	<u>121,706</u>	<u>157,981</u>
Total current assets	2,766,711	3,659,978
Property and equipment, net	6,729,234	7,263,969
Other assets:		
Contributions receivables, net of current portion	60,000	333,334
Investments, at fair value	<u>2,570,376</u>	<u>2,711,899</u>
Total other assets	<u>2,630,376</u>	<u>3,045,233</u>
TOTAL ASSETS	<u>\$ 12,126,321</u>	<u>\$ 13,969,180</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 960,707	\$ 1,005,855
Deferred revenue	<u>698,828</u>	<u>993,385</u>
Total current liabilities	<u>1,659,535</u>	<u>1,999,240</u>
Net assets:		
Without donor restrictions	9,891,292	10,819,812
With donor restrictions	<u>575,494</u>	<u>1,150,128</u>
Total net assets	<u>10,466,786</u>	<u>11,969,940</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 12,126,321</u>	<u>\$ 13,969,180</u>

See accompanying notes to financial statements.

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:						
Contributions	\$ 2,915,942	\$ 192,237	\$ 3,108,179	\$ 2,639,150	\$ 1,849,682	\$ 4,488,832
In-kind contributions	939,922	-	939,922	1,305,466	-	1,305,466
Foundation grants	2,476,568	76,928	2,553,496	2,613,971	-	2,613,971
Contracts and government grants	1,135,805	-	1,135,805	1,357,088	-	1,357,088
Hospital revenue	187,091	-	187,091	129,785	-	129,785
Endowment appropriation	8,461	-	8,461	4,204	-	4,204
Net assets released from capital restrictions	15,089	(15,089)	-	242,162	(242,162)	-
Net assets released from program restrictions	828,710	(828,710)	-	1,438,825	(1,438,825)	-
Total revenues, gains, and other support	<u>8,507,588</u>	<u>(574,634)</u>	<u>7,932,954</u>	<u>9,730,651</u>	<u>168,695</u>	<u>9,899,346</u>
Expenses:						
Program services:						
Hospital	2,638,669	-	2,638,669	4,534,240	-	4,534,240
Infectious Disease, AIDS Prevention and Treatment	655,031	-	655,031	471,788	-	471,788
Spinal Cord Injury Program	535,848	-	535,848	534,625	-	534,625
Maternal & Child Health	1,955,814	-	1,955,814	1,009,506	-	1,009,506
Education/Community Development Programs	150,248	-	150,248	258,804	-	258,804
Community Health	1,144,447	-	1,144,447	1,655,871	-	1,655,871
Surgical Program	1,283,880	-	1,283,880	979,839	-	979,839
Villa Clinic	276,179	-	276,179	182,637	-	182,637
Other Programs	-	-	-	29,232	-	29,232
Total program services	<u>8,640,116</u>	<u>-</u>	<u>8,640,116</u>	<u>9,656,542</u>	<u>-</u>	<u>9,656,542</u>
Supporting services:						
General and administrative	525,586	-	525,586	764,013	-	764,013
Fundraising	402,456	-	402,456	522,789	-	522,789
Total supporting services	<u>928,042</u>	<u>-</u>	<u>928,042</u>	<u>1,286,802</u>	<u>-</u>	<u>1,286,802</u>
Total expenses	<u>9,568,158</u>	<u>-</u>	<u>9,568,158</u>	<u>10,943,344</u>	<u>-</u>	<u>10,943,344</u>
Changes in net assets from operating activities	<u>(1,060,570)</u>	<u>(574,634)</u>	<u>(1,635,204)</u>	<u>(1,212,693)</u>	<u>168,695</u>	<u>(1,043,998)</u>
Non-operating activities:						
Investment income, net	68,013	4,416	72,429	79,602	5,452	85,054
Foreign currency exchange gains (losses)	5,229	-	5,229	(21,871)	-	(21,871)
Realized and unrealized gains (losses) on investments	58,808	4,045	62,853	33,418	(1,248)	32,170
Endowment appropriation	-	(8,461)	(8,461)	-	(4,204)	(4,204)
Changes in net assets from non-operating activities	<u>132,050</u>	<u>-</u>	<u>132,050</u>	<u>91,149</u>	<u>-</u>	<u>91,149</u>
Changes in net assets	(928,520)	(574,634)	(1,503,154)	(1,121,544)	168,695	(952,849)
Net assets - beginning	10,819,812	1,150,128	11,969,940	11,941,356	981,433	12,922,789
NET ASSETS - ENDING	<u>\$ 9,891,292</u>	<u>\$ 575,494</u>	<u>\$ 10,466,786</u>	<u>\$ 10,819,812</u>	<u>\$ 1,150,128</u>	<u>\$ 11,969,940</u>

See accompanying notes to financial statements.

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

2019

	Program Services								Supporting Services				
	Hospital	Infectious Disease, AIDS Prevention and Treatment	Spinal Cord Injury Program	Maternal & Child Health	Educ/Comm Dev Programs	Community Health	Surgical Program	Villa Clinic	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 1,163,252	\$ 327,992	\$ 241,777	\$ 1,035,046	\$ 23,562	\$ 147,525	\$ 627,634	\$ 139,137	\$ 3,705,925	\$ 164,015	\$ 147,722	\$ 311,737	\$ 4,017,662
Fringe benefits	104,919	23,947	18,970	95,079	1,078	13,734	58,852	13,806	330,385	91,514	38,835	130,349	460,734
Supplies	791,220	170,065	151,939	645,505	35,533	907,572	344,577	75,198	3,121,609	67,950	86,454	154,404	3,276,013
Consultants	186,531	8,302	10,345	74,019	598	31,151	25,510	1,853	338,309	19,322	70,170	89,492	427,801
Other program expenses	21,347	50,984	75,910	14,655	10,520	39,258	11,292	2,568	226,534	-	-	-	226,534
Depreciation	340,673	60,081	13,768	51,975	1,883	-	199,125	36,383	703,888	11,333	-	11,333	715,221
Other expenses	1,849	51	1,584	100	75,628	17	67	-	79,296	22,490	43,934	66,424	145,720
Travel	21,453	12,372	20,318	32,010	1,446	3,953	11,873	5,997	109,422	22,249	13,741	35,990	145,412
Audit and legal fees	7,425	1,237	1,237	7,425	-	1,237	4,950	1,237	24,748	29,057	1,600	30,657	55,405
Rent	-	-	-	-	-	-	-	-	-	97,656	-	97,656	97,656
	<u>\$ 2,638,669</u>	<u>\$ 655,031</u>	<u>\$ 535,848</u>	<u>\$ 1,955,814</u>	<u>\$ 150,248</u>	<u>\$ 1,144,447</u>	<u>\$ 1,283,880</u>	<u>\$ 276,179</u>	<u>\$ 8,640,116</u>	<u>\$ 525,586</u>	<u>\$ 402,456</u>	<u>\$ 928,042</u>	<u>\$ 9,568,158</u>

2018

	Program Services								Supporting Services					
	Hospital	Infectious Disease, AIDS Prevention and Treatment	Spinal Cord Injury Program	Maternal & Child Health	Educ/Comm Dev Programs	Community Health	Surgical Program	Villa Clinic	Other Programs	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 1,250,773	\$ 180,904	\$ 287,945	\$ 549,761	\$ 83,619	\$ 318,825	\$ 467,106	\$ 108,155	\$ -	\$ 3,247,088	\$ 377,400	\$ 241,819	\$ 619,219	\$ 3,866,307
Fringe benefits	159,766	18,270	28,743	50,159	7,567	35,207	47,037	8,153	-	354,902	143,035	71,406	214,441	569,343
Supplies	2,454,937	157,181	132,570	326,077	70,419	1,191,752	219,142	22,342	27,847	4,602,267	54,546	101,217	155,763	4,758,030
Consultants	216,468	5,666	4,572	19,803	2,720	27,228	21,278	2,643	-	300,378	6,968	44,000	50,968	351,346
Other program expenses	92,375	79,882	48,303	9,745	26,628	65,059	2,156	225	-	324,373	4,499	-	4,499	328,872
Depreciation	279,112	9,662	13,768	43,124	1,883	-	210,562	36,398	-	594,509	2,682	-	2,682	597,191
Other expenses	2,488	8,833	833	176	65,361	1,957	118	26	-	79,792	11,944	51,256	63,200	142,992
Travel	53,904	11,390	17,891	10,661	607	15,843	12,440	4,695	290	127,721	48,639	13,091	61,730	189,451
Audit and legal fees	24,417	-	-	-	-	-	-	-	1,095	25,512	68,277	-	68,277	93,789
Rent	-	-	-	-	-	-	-	-	-	-	46,023	-	46,023	46,023
	<u>\$ 4,534,240</u>	<u>\$ 471,788</u>	<u>\$ 534,625</u>	<u>\$ 1,009,506</u>	<u>\$ 258,804</u>	<u>\$ 1,655,871</u>	<u>\$ 979,839</u>	<u>\$ 182,637</u>	<u>\$ 29,232</u>	<u>\$ 9,656,542</u>	<u>\$ 764,013</u>	<u>\$ 522,789</u>	<u>\$ 1,286,802</u>	<u>\$ 10,943,344</u>

See accompanying notes to financial statements.

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Operating activities:		
Changes in net assets	\$ (1,503,154)	\$ (952,849)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	715,221	597,191
Donated property and equipment	(31,500)	(241,041)
Donated stock	-	(17,143)
Realized and unrealized gains	(62,853)	(32,170)
Changes in assets and liabilities:		
Accounts receivable	25,169	132,899
Contributions receivable	647,353	(753,952)
Inventory	(65,578)	1,017,976
Prepaid expenses and other current assets	36,275	(21,037)
Accounts payable and accrued expenses	(45,148)	514,583
Deferred revenue	<u>(294,557)</u>	<u>(82,159)</u>
Net cash provided by (used in) operating activities	<u>(578,772)</u>	<u>162,298</u>
Investing activities:		
Purchase of investments	(112,724)	(91,306)
Proceeds from sale of investments	317,100	8,744
Proceeds from sale of certificates of deposit	504,271	1,255,113
Purchase of property and equipment	<u>(148,986)</u>	<u>(741,477)</u>
Net cash provided by investing activities	<u>559,661</u>	<u>431,074</u>
Net increase (decrease) in cash	(19,111)	593,372
Cash - beginning	<u>1,069,420</u>	<u>476,048</u>
CASH - ENDING	<u>\$ 1,050,309</u>	<u>\$ 1,069,420</u>

See accompanying notes to financial statements.

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 1. ORGANIZATION

St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International (the "Organization") is a Massachusetts incorporated nonprofit entity dedicated to providing high quality healthcare services to the people of southern Haiti through community-based preventive and clinical care. The Organization also works toward broader improvement and sustainability of quality healthcare in Haiti through programs such as the training of local health practitioners, disaster response, and partnering for impact with local and global health organizations. The Organization supports and operates St. Boniface Hospital located in Fond des Blancs, Haiti, a satellite clinic in Villa, Haiti and various community-based health programs in the region.

NOTE 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.

Financial Statement Presentation

The Organization follows the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Subtopic *Presentation of Financial Statements of 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:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of trustees.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor had stipulated the funds be maintained in perpetuity.

Measurement of Operations

The Organization's operating revenue and expenses consist of those items attributable to the Organization's ongoing services and activities. Non-operating activities include investment income and related gains or losses, along with gains or losses on foreign exchange rate currency conversions that do not directly relate to the Organization's general programs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") 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.

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Credit Risk

Cash and cash equivalents include cash on hand, demand deposits, and highly liquid investments with original maturities of three months or less. The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federal insured limits. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents. Nevertheless, the Organization has taken steps to strengthen its risk management practices by diversifying its cash and cash equivalent holdings. The Organization has a relationship with Bank of America/Merrill Lynch to access the institution's global treasury management tools enabling better risk control over global transactions, including foreign currency purchases and electronic funds transfers. In addition, at times, the Organization invests available funds in short-term laddered CDs with Merrill Lynch to achieve both FDIC insurance protection while increasing yields.

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, 2019 and 2018, management believes all outstanding receivables are collectible in full and therefore no allowance for doubtful accounts was recorded.

Inventory

Inventory consists of medicine and pharmacy supplies. Inventory is stated at the lower of cost or net realizable value. Cost is determined on the first-in, first-out ("FIFO") method.

Property and Equipment

Property and equipment are recorded at cost or fair value, if received by donation. The Organization capitalizes expenditures for property and equipment in excess of \$1,000. Expenditures for major improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred. Depreciation of property and equipment is computed on a straight-line basis over the estimated useful lives of the assets which are as follows:

<u>Description</u>	<u>Years</u>
Buildings and leasehold improvements	5 - 30
Furniture and equipment	3-5
Vehicles	3-5

Construction 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.

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation of Long-Lived Assets

The Organization's long-lived assets are reviewed for impairment in accordance with the guidance of the FASB ASC Topic *Property, Plant, and Equipment*, 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, 2019 and 2018, management has determined that long-lived assets are not impaired.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values based on quoted prices in active markets in the statements of financial position. Investment income, and investment gains and losses are reported as increases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

Fair Value Measurement

The Organization follows the provisions of the *Fair Value Measurements* 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 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, quoted prices for similar assets in active or inactive markets, 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.

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (continued)

The following is a description of the valuation methodologies used for assets 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, 2019 and 2018.

- *Money market funds, exchange traded funds, mutual funds, preferred stock and common stock* have been reported in the financial statements at fair value. The fair value of these securities are based upon quoted prices from an active market and are therefore categorized in level 1.
- *Bonds* have been reported in the financial statements at fair value. The fair value of these securities are estimated using recently executed transactions or market price quotations. These securities are categorized in level 2 as significant inputs are observable.

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.

Certificates of Deposit

The Organization carries certificates of deposit at cost plus any associated earned interest in the accompanying statements of financial position.

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 U.S. GAAP, 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 Organization manages its endowment consistent with the Massachusetts Act, the Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

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 donor restricted funds for financial statement 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.

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Endowment (continued)

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.

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 funds that are included in net assets without donor restrictions 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 funds that are donor restricted in perpetuity is available for a medical scholarship program.

Deferred Revenue

Deferred revenue represents government and certain grants payments that were received in advance of the related performance of services.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions that are temporary in nature that are satisfied by fulfillment of the donor-imposed 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 programs are supported by contracts and grants funded through federal agencies as well as foundations.

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Donated investments are reported at fair value at the date of receipt, which is then treated as the Organization's cost basis. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. No discount was recorded at June 30, 2019 and 2018 as the amount of the calculated discount was immaterial to the financial statements as a whole.

Contributions received with donor-imposed restrictions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues without donor restrictions.

Contributions of land, buildings, and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues without donor restrictions. Contributions of cash or other assets to be used to acquire land, buildings and equipment with donor stipulations are reported as revenues with donor restrictions; the restrictions are considered to be released when placed in service.

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.

Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on reporting dates, and revenues and expenses are translated at rates that approximate the average rate for the period in which the transactions occurred. Net transaction and translation gains and losses are included in the accompanying statements of activities and changes in net assets in the non-operating revenue and expense section as foreign currency exchange gain or loss.

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is qualified under Section 501(c)(3) of the Internal Revenue Code and is exempt from Federal and state income taxes. 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. The Topic also provides guidance on recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. At June 30, 2019 and 2018, management believes that the Organization has no material uncertain tax positions.

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.

Recently Issued But Not Yet Effective Accounting Pronouncements

Revenue - In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* ("Topic 606"), as amended (commonly referred to as "ASC 606"), which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASC 606 replaces most existing revenue recognition guidance in US GAAP, including industry specific guidance, when it becomes effective. For annual reporting periods, this standard is effective for the Organization on July 1, 2019. The standard permits the use of either the retrospective or cumulative effect transition method. The Organization is currently completing its initial assessment and evaluation of the impact that Topic 606 will have on its financial statements and related disclosures.

The Organization expects, at a minimum, the adoption will result in expanded disclosures that will enable users to better understand the nature, amount, timing, and uncertainty, if any, of revenues and cash flows arising from contracts with customers.

Contributions - In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08"), which provides guidance for determining whether a transaction should be accounted for as a contribution or an exchange transaction, and whether a contribution is conditional or unconditional. This ASU is effective for years beginning after December 15, 2018. The Organization is currently completing its initial assessment and evaluation of the impact that ASU 2018-08 will have on its financial statements and related disclosures and does not expect that there will be a significant impact.

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued But Not Yet Effective Accounting Pronouncements (continued)

Leases - In February 2016, the FASB issued ASU No. 2016-02, *Leases* (“ASU 2016-02”). This update requires all leases with a term greater than 12 months to be recognized on the statement of position through a right-of-use asset and a lease liability and the disclosure of key information pertaining to leasing arrangements. This new guidance is effective for years beginning after December 15, 2020, with early adoption permitted. The Organization is evaluating the effect that ASU 2016-02 will have on its financial statements and related disclosures.

Recently Adopted Accounting Pronouncements

Financial statement presentation - In August 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* ("ASU 2016-14"), which reduces the number of net asset classes from three to two and increases disclosures about liquidity risks, among other changes. This ASU is effective for years beginning after December 15, 2017. The Organization has adopted the pronouncement for the year ended June 30, 2019 and it is retroactively applied for the year ended June 30, 2018.

Reclassifications

Certain amounts included in the 2018 financial statements have been reclassified to conform to the 2019 presentation. These reclassifications had no material effect on the prior year financial statements.

Subsequent Events

The Organization has evaluated all events subsequent to the statement of financial position date of June 30, 2019, through the date which the financial statements were available to be issued, November 12, 2019, and has determined that there are no subsequent events other than that described in Note 14 that require disclosure under FASB ASC Topic *Subsequent Events*.

NOTE 3. AVAILABILITY AND LIQUIDITY

The following represents the Organization's available financial assets as of June 30, 2019:

Cash	\$ 1,050,309
Accounts receivable	282,802
Contributions receivable	430,104
Investments	<u>2,570,376</u>
Total financial assets available	4,333,591
Less financial assets with donor restrictions	(515,494)
Less investments unavailable for general expenditure without board approval	<u>(2,470,376)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,347,721</u>

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 3. AVAILABILITY AND LIQUIDITY (CONTINUED)

The Organization's goal is to maintain readily available financial assets to meet two months of operating expenses. The Organization has two lines of credit available to meet cash flow needs, one of which has a variable maximum borrowing limit and a second with maximum borrowings of \$750,000 (Note 8). As part of management's liquidity plan, cash is maintained in checking and savings accounts and is readily available for use, with investments available for liquidation with board approval.

NOTE 4. CONTRIBUTIONS RECEIVABLE

The expected collection period for contributions receivable consisted of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Receivable in less than one year	\$ 370,104	\$ 744,123
Receivable in one to five years	<u>60,000</u>	<u>333,334</u>
Gross contributions receivable	<u>\$ 430,104</u>	<u>\$ 1,077,457</u>

There has been no discount recorded on long-term receivables as the amount is nominal for the years ended June 30, 2019 and 2018.

NOTE 5. PROPERTY AND EQUIPMENT

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

	<u>2019</u>	<u>2018</u>
Land	\$ 228,560	\$ 195,187
Buildings and leasehold improvements	6,680,860	6,401,380
Furniture and equipment	3,086,910	3,081,761
Vehicles	1,300,749	1,300,749
Construction in progress	<u>-</u>	<u>137,518</u>
	11,297,079	11,116,595
Less accumulated depreciation	<u>4,567,845</u>	<u>3,852,626</u>
Property and equipment, net	<u>\$ 6,729,234</u>	<u>\$ 7,263,969</u>

Construction in progress at June 30, 2018 represented costs incurred in connection with the renovation of the emergency department in the hospital. The project was completed at a total cost of \$219,948 and put into service during the year ended June 30, 2019.

Depreciation expense for the years ended June 30, 2019 and 2018 totaled \$715,221 and \$597,191, respectively.

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 6. FAIR VALUE MEASUREMENT

The following fair value hierarchy table presents information about the Organization's investments measured at fair value on a recurring basis as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 103,199	\$ -	\$ -	\$ 103,199
Bonds:				
Corporate	-	420,540	-	420,540
Municipal	-	153,107	-	153,107
Total bonds	-	573,647	-	573,647
Exchange-traded and closed-end funds	771,632	-	-	771,632
Mutual funds:				
Intermediate-term bond	227,009	-	-	227,009
Non-traditional bond	131,707	-	-	131,707
World allocation	107,586	-	-	107,586
Real estate	56,648	-	-	56,648
Managed futures	31,233	-	-	31,233
Large growth	30,604	-	-	30,604
Total mutual funds	584,787	-	-	584,787
Common stock	465,439	-	-	465,439
Preferred stock	71,672	-	-	71,672
	<u>\$ 1,996,729</u>	<u>\$ 573,647</u>	<u>\$ -</u>	<u>\$ 2,570,376</u>

The following fair value hierarchy table presents information about the Organization's investments measured at fair value on a recurring basis as of June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 332,513	\$ -	\$ -	\$ 332,513
Bonds:				
Corporate	-	410,999	-	410,999
Municipal	-	158,771	-	158,771
Total bonds	-	569,770	-	569,770
Exchange-traded and closed-end funds	757,343	-	-	757,343
Mutual funds:				
Intermediate-term bond	209,729	-	-	209,729
Non-traditional bond	126,820	-	-	126,820
World allocation	106,536	-	-	106,536
Real estate	53,318	-	-	53,318
Managed futures	34,436	-	-	34,436
Large growth	30,621	-	-	30,621
Total mutual funds	561,460	-	-	561,460
Common stock	419,685	-	-	419,685
Preferred stock	71,128	-	-	71,128
	<u>\$ 2,142,129</u>	<u>\$ 569,770</u>	<u>\$ -</u>	<u>\$ 2,711,899</u>

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 7. ENDOWMENT

Endowment Net Asset Composition by Type of Fund as of June 30, 2019

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 100,000	\$ 100,000
Board designated endowment funds	<u>2,470,376</u>	<u>-</u>	<u>2,470,376</u>
Total funds	<u>\$ 2,470,376</u>	<u>\$ 100,000</u>	<u>\$ 2,570,376</u>

Changes in Endowment Net Assets for the Year Ended June 30, 2019

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	<u>\$ 2,611,899</u>	<u>\$ 100,000</u>	<u>\$ 2,711,899</u>
Investment return:			
Investment income, net	65,121	4,416	69,537
Net appreciation (realized and unrealized)	<u>58,808</u>	<u>4,045</u>	<u>62,853</u>
Total investment return	<u>123,929</u>	<u>8,461</u>	<u>132,390</u>
Other changes:			
Endowment appropriation	8,461	(8,461)	-
Withdrawals	(300,000)	-	(300,000)
Deposits	<u>26,087</u>	<u>-</u>	<u>26,087</u>
Total other changes	<u>(265,452)</u>	<u>(8,461)</u>	<u>(273,913)</u>
Endowment net assets, end of year	<u>\$ 2,470,376</u>	<u>\$ 100,000</u>	<u>\$ 2,570,376</u>

Endowment Net Asset Composition by Type of Fund as of June 30, 2018

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 100,000	\$ 100,000
Board designated endowment funds	<u>2,611,899</u>	<u>-</u>	<u>2,611,899</u>
Total funds	<u>\$ 2,611,899</u>	<u>\$ 100,000</u>	<u>\$ 2,711,899</u>

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 7. ENDOWMENT (CONTINUED)

Changes in Endowment Net Assets for the Year Ended June 30, 2018

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ <u>2,486,878</u>	\$ <u>100,000</u>	\$ <u>2,586,878</u>
Investment return:			
Investment income, net	70,256	5,452	75,708
Net appreciation (depreciation) (realized and unrealized)	<u>33,418</u>	<u>(1,248)</u>	<u>32,170</u>
Total investment return	<u>103,674</u>	<u>4,204</u>	<u>107,878</u>
Other changes:			
Endowment appropriation	4,204	(4,204)	-
Donated investments	<u>17,143</u>	<u>-</u>	<u>17,143</u>
Total other changes	<u>21,347</u>	<u>(4,204)</u>	<u>17,143</u>
Endowment net assets, end of year	\$ <u><u>2,611,899</u></u>	\$ <u><u>100,000</u></u>	\$ <u><u>2,711,899</u></u>

NOTE 8. LINES OF CREDIT

The Organization has two lines of credit, one of which has maximum borrowings available based on the value of pledged collateral less outstanding loan balances and accrued interest and fees. The agreement is secured by the certain investment accounts of the Organization. There is no expiration date on the line of credit. Advances bear interest at various rates based on draw down amount. The rate in effect on the line of credit at June 30, 2019 and 2018 was 5.40% and 5.60%, respectively.

The second line of credit was opened during the year ended June 30, 2019, which has a maximum borrowing limit of \$750,000 and expires on December 31, 2019. Interest is payable at the LIBOR rate (2.40% at June 30, 2019). At June 30, 2019 and 2018, there was no outstanding balance on either of the lines of credit.

NOTE 9. IN-KIND CONTRIBUTIONS

The Organization received \$939,922 and \$1,305,466 of in-kind contributions for the years ended June 30, 2019 and 2018, respectively. The following is a breakdown of the sources of income and the categories of expenses and assets for in-kind contributions:

	<u>2019</u>	<u>2018</u>
Income received:		
Medicine/food/supplies	\$ 871,032	\$ 895,362
Property and equipment	31,500	241,041
Professional services	37,390	151,920
Investments	<u>-</u>	<u>17,143</u>
Total in-kind contributions received	<u><u>\$ 939,922</u></u>	<u><u>\$ 1,305,466</u></u>

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 9. IN-KIND CONTRIBUTIONS (CONTINUED)

	<u>2019</u>	<u>2018</u>
Expenses reported:		
Medicine/food/supplies	\$ 871,032	\$ 895,362
Professional services	<u>37,390</u>	<u>151,920</u>
Total in-kind expenses reported	<u>908,422</u>	<u>1,047,282</u>
Assets reported:		
Property and equipment	31,500	241,041
Investments	<u>-</u>	<u>17,143</u>
Total in-kind assets reported	<u>31,500</u>	<u>258,184</u>
Total in-kind expenses and assets reported	<u>\$ 939,922</u>	<u>\$ 1,305,466</u>

NOTE 10. LEASE COMMITMENT

The Organization's five year lease agreement for office space in Newton, Massachusetts expired on July 31, 2018. The Organization moved its office to a different location, also in Newton, Massachusetts, and signed a new five-year lease agreement which commenced on September 1, 2018 and expires on September 1, 2023

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

<u>Fiscal Year</u>	<u>Amount</u>
2020	\$ 89,350
2021	92,684
2022	96,015
2023	99,345
2024	<u>16,650</u>
	<u>\$ 394,044</u>

Lease expense for the years ended June 30, 2019 and 2018 were \$97,656 and \$46,023, respectively.

NOTE 11. RELATED PARTY TRANSACTIONS

Two board members of the Organization are employed by Build Health International, a nonprofit organization which provided construction services in connection with the renovation of the Emergency Department. Build Health International also supplies goods and services related to general repair and maintenance of buildings and properties owned and operated by the Organization. Construction and maintenance goods and services totaled \$227,907 and \$990,838 for the years ended June 30, 2019 and 2018, respectively.

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions that are temporary in nature consisted of the following as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Time restricted	\$ 429,104	\$ 968,860
Education programs	37,493	54,399
Building construction and repairs projects	-	15,089
Other programs	8,897	8,276
Community development projects	<u>-</u>	<u>3,504</u>
Total net assets with donor restrictions	<u>\$ 475,494</u>	<u>\$ 1,050,128</u>

The Organization also has net assets with donor restrictions that are perpetual in nature, the income and the appreciation earned of which is available for a medical scholarship program. Net assets with perpetual donor restrictions totaled \$100,000 at June 30, 2019 and 2018.

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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Time restrictions	\$ 634,757	\$ 477,020
Education programs	98,822	77,541
Clinical operations	59,547	575,172
Community development projects	23,754	306,342
Other programs	<u>11,830</u>	<u>2,750</u>
Net assets released from program restrictions	828,710	1,438,825
Endowment appropriation	8,461	4,204
Net assets released from capital restrictions	<u>15,089</u>	<u>242,162</u>
	<u>\$ 852,260</u>	<u>\$ 1,685,191</u>

NOTE 13. 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 401(k) 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 trustees. During the years ended June 30, 2019 and 2018, the Organization made \$43,311 and \$14,126 in contributions to the Plan, respectively.

NOTE 14. SUBSEQUENT EVENT

On September 5, 2019, the board of trustees approved a resolution to change the Organization's business name to Health Equity International. The Organization's legal name will remain St. Boniface Haiti Foundation, Inc., however it will operate and solicit donations under the new business name.

SUPPLEMENTARY INFORMATION

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:			
Pass-through program from:			
Christian Medical Mission Board-USCC/ Global Aids	93.067	1NU2GGH001970-01-00	\$ 266,490
United States Agency for International Development:			
Direct program:			
USAID Foreign Assistance for Programs Overseas	98.001	N/A	<u>869,315</u>
Total Expenditures of Federal Awards			<u>\$ 1,135,805</u>

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal assistance activity of St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International (the "Organization") under programs of the federal government for the year ended June 30, 2019. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Summary of Significant Account Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

The Organization elected to use the 10% de minimis cost rate for its Federal programs.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees
St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International
Newton, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International's major federal program for the year ended June 30, 2019. St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International's major federal program is 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International's major federal program 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance 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 St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International'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 the major federal program. However, our audit does not provide a legal determination of St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International's compliance.

Opinion on Each Major Federal Program

In our opinion, St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

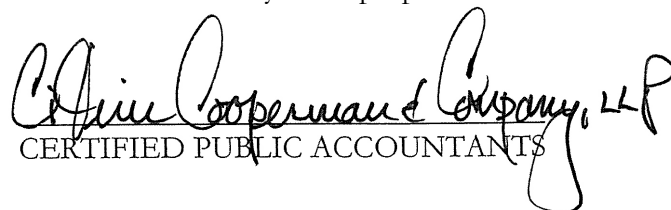
Report on Internal Control over Compliance

Management of St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International 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 St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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. d/b/a Health Equity International'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Braintree, Massachusetts
November 12, 2019



CITRIN COOPERMAN®

Accountants and Advisors

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*

To the Board of Trustees
St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International
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. d/b/a Health Equity International (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes 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 12, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International'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. d/b/a Health Equity International's internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International'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 the 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. d/b/a Health Equity International's financial statements are free from 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 St. Boniface Haiti Foundation, Inc. d/b/a Health Equity International's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Braintree, Massachusetts
November 12, 2019

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

A. SUMMARY OF AUDIT RESULTS

Financial 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?	None reported
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?	None reported
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 2 CFR Section 200.516(a) of Uniform Guidance?	No

7	Identification of major programs:	
	<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>

	USAID Foreign Assistance for Programs Overseas	98.001
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8	Dollar threshold used to distinguish between Type A programs and Type B programs:	\$ 750,000
9	Auditee qualifies as a low risk auditee?	No

B. FINANCIAL STATEMENT FINDINGS

None

C. MAJOR FEDERAL AWARD PROGRAM FINDINGS AND QUESTIONED COSTS

None

**ST. BONIFACE HAITI FOUNDATION, INC. D/B/A
HEALTH EQUITY INTERNATIONAL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2019**

A. FINANCIAL STATEMENT FINDINGS

None

B. MAJOR FEDERAL AWARD PROGRAM FINDINGS AND QUESTIONED COSTS

None