

Fondation St. Luc – Haiti

Financial Statements

For the years ended December 31, 2021 and 2020

Fondation St. Luc – Haïti

Financial Statements

For the years ended December 31, 2021 and 2020

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Message from the Executive Director

To our benefactors and friends,

I write these words to present the 2021 audited financial statements of Fondation St Luc, Haiti.

For the many valuable achievements of the Foundation during 2021, I invite you to refer to our annual report on our website, StLukeHaiti.org.

The challenges to keep any enterprise in existence in Haiti are overwhelming- and of course our goals are not just to survive but to produce viable results.

Sadly, both of these goals get harder and harder to achieve in Haiti.

Myself and our leaders started off the year 2021 with the continuation of the COVID 19 emergency, but also dealing with gang leaders in many parts of the city to set up humanitarian corridors, help free kidnapped people, and gain access to areas blocked by gang wars in order to bring medical and humanitarian aid.

All the while, Haiti is still the kidnapping capital of the world.

I invite you to admire and thank, as I do, the huge St Luke team in Haiti, starting with the leaders and reaching down to the people with brooms and mops, for showing a phenomenal humanitarian and Gospel spirit during 2021, for demonstrating amazing courage and leadership, and for making the Foundation so very important and useful to many thousands of poor people throughout the year 2021.

You will notice the long delays for the past few years in completing audits.

Administrations and their offices cannot function properly with staff leaving the country, staff being refugees from their own homes because of gang violence, staff not being able to reach work because of social unrest and kidnapping, offices blacked out by fuel shortages, communication services (phone and internet) with weak and failing signals.

I also thank each one of you once again, our donors and friends, for the encouragement you have given to us, and your life saving financial support.

With heartfelt thanks and best regards,

Fr Richard Frechette CP, DO
December 5, 2022



Independent Auditors' Report On the Financial Statements

To the Directors of
Fondation St. Luc – Haiti

We have audited the accompanying financial statements of Fondation St. Luc – Haiti, which comprise the statements of financial position as of December 31, 2021 and 2020, the related statements of activities, functional expense, and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fondation St. Luc – Haiti as of December 31 2021 and 2020, 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.

Experts Conseils et Associés

Experts Conseils et Associés

Chartered Accountants

16, Route du Canapé-Vert, Juvénat

Pétion-Ville, Haïti

November 15, 2022



Fondation St. Luc – Haiti**Statements of Financial Position****As of December 31, 2021 and 2020****(Expressed in US Dollars)**

	<u>Notes</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Assets			
Current assets			
Bank - Local Currency		\$ 397,140	\$ 181,237
Bank - US Dollars accounts in Haiti		345,170	1,008,566
Account Receivable		<u>40,849</u>	<u>194,922</u>
Total Current Assets		<u>\$ 783,159</u>	<u>\$ 1,384,725</u>
Fixed Assets			
	(Note 6)		
Buildings		22,588,747	22,161,745
Land		4,247,579	4,247,579
Machinery & Equipements		2,719,490	2,726,490
Véhicules		1,761,903	1,656,094
Construction in Progress		<u>-</u>	<u>153,762</u>
Total Fixed Assets		<u>31,317,719</u>	<u>30,945,670</u>
Accumulated Depreciation			
Buildings		(7,418,412)	(6,309,540)
Machinery & Equipements		(2,719,490)	(2,816,815)
Vehicles		<u>(1,671,784)</u>	<u>(1,821,132)</u>
		<u>(11,809,686)</u>	<u>(10,947,487)</u>
Net Fixed Assets		<u>19,508,033</u>	<u>19,998,183</u>
Total Assets		<u>\$ 20,291,192</u>	<u>\$ 21,382,908</u>
Liabilities and Net Assets			
Accounts Payable	(Note 7)	<u>421,907</u>	<u>1,026,505</u>
Total Liabilities		<u>\$ 421,907</u>	<u>\$ 1,026,505</u>
Net Assets			
Unrestricted		19,777,651	20,167,401
Temporarily Restricted		<u>91,634</u>	<u>189,002</u>
Total Net Assets		<u>19,869,285</u>	<u>20,356,403</u>
Total Liabilities and Net Assets		<u>\$ 20,291,192</u>	<u>\$ 21,382,908</u>

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

Fondation St. Luc – Haiti
Statements of Activities
For the years ended December 31, 2021 and 2020
(Expressed in US Dollars)

	Notes	December 31, 2021			December 31, 2020		
		Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues							
Grants revenues from donors	(Notes 2 & 3)	\$ 988,107	\$ 6,437,526	\$ 7,425,633	\$ 2,714,674	\$ 4,278,339	\$ 6,993,013
Other income	(Note 4)	4,081,120	-	4,081,120	5,538,384	-	5,538,384
		<u>5,069,227</u>	<u>6,437,526</u>	<u>11,506,753</u>	<u>8,253,058</u>	<u>4,278,339</u>	<u>12,531,397</u>
Net assets released from restrictions		<u>6,534,894</u>	<u>(6,534,894)</u>	<u>-</u>	<u>4,089,337</u>	<u>(4,089,337)</u>	<u>-</u>
Total Revenues		<u>11,604,121</u>	<u>(97,368)</u>	<u>11,506,753</u>	<u>12,342,395</u>	<u>189,002</u>	<u>12,531,397</u>
Expenses							
Program Services:							
Agriculture		427,580	-	427,580	562,476	-	562,476
Community Development		1,015,033	-	1,015,033	1,122,945	-	1,122,945
Disaster Relief		856,670	-	856,670	878,698	-	878,698
Education		3,473,092	-	3,473,092	4,218,718	-	4,218,718
Healthcare		3,814,708	-	3,814,708	3,697,079	-	3,697,079
NPFS Program		25,000	-	25,000	29,442	-	29,442
Renewable Eneergy		889,330	-	889,330	996,999	-	996,999
Social Business		959,627	-	959,627	1,034,206	-	1,034,206
Total Program Services		<u>11,461,040</u>	<u>-</u>	<u>11,461,040</u>	<u>12,540,563</u>	<u>-</u>	<u>12,540,563</u>
Supporting Services:							
Depreciation		862,199	-	862,199	1,881,915	-	1,881,915
Total Supporting Services		<u>862,199</u>	<u>-</u>	<u>862,199</u>	<u>1,881,915</u>	<u>-</u>	<u>1,881,915</u>
Total expenses		<u>12,323,239</u>	<u>-</u>	<u>12,323,239</u>	<u>14,422,478</u>	<u>-</u>	<u>14,422,478</u>
Changes in Net Assets		(719,118)	(97,368)	(816,486)	(2,080,083)	189,002	(1,891,081)
Net Assets, at begining of the year		20,167,401	189,002	20,356,403	21,820,909	-	21,820,909
Gain or Loss on exchange		329,368	-	329,368	426,575	-	426,575
Net Assets, at the end of the year		<u>\$ 19,777,651</u>	<u>\$ 91,634</u>	<u>\$ 19,869,285</u>	<u>\$ 20,167,401</u>	<u>\$ 189,002</u>	<u>\$ 20,356,403</u>

The accompanying notes are integral part of the financial Statements

Fondation St. Luc – Haiti

Statements of Functional Expenses

For the years ended December 31, 2021 and 2020

(Expressed in US Dollars)

	For the year ended December 31, 2021			For the year ended December 31, 2020		
	PROGRAM SERVICES	SUPPORTING SERVICES	TOTAL	PROGRAM SERVICES	SUPPORTING SERVICES	TOTAL
Salaries & Benefits	\$ 5,052,865	\$ -	\$ 5,052,865	\$ 5,518,431	\$ -	\$ 5,518,431
Administration	1,095,665	-	1,095,665	1,128,651	-	1,128,651
Clothing	5,300	-	5,300	4,680	-	4,680
Force Lakay (Community Support)	655,837	-	655,837	418,541	-	418,541
Utility & Services	714,161	-	714,161	1,296,999	-	1,296,999
Grounds, Security, Plant Management	95,550	-	95,550	182,151	-	182,151
Agriculture, Farms, Ecology	151,224	-	151,224	265,748	-	265,748
Education	528,453	-	528,453	1,017,543	-	1,017,543
Cost of Production	715,685	-	715,685	673,827	-	673,827
Vehicle and Transportation Expenses	134,240	-	134,240	302,993	-	302,993
Healthcare & Prevention of Illness	1,888,367	-	1,888,367	1,414,125	-	1,414,125
Housing & Building Materials	113,392	-	113,392	81,379	-	81,379
Cleaning, Maintenance & Repairs	106,696	-	106,696	76,255	-	76,255
Food	26,302	-	26,302	17,002	-	17,002
Furnitures, Furnishings, Office & Other Equipment	86,541	-	86,541	43,321	-	43,321
Shipments and Customs	65,762	-	65,762	98,917	-	98,917
Transfers to Third Parties	25,000	-	25,000	-	-	-
Depreciation expenses	-	862,199	862,199	-	1,881,915	1,881,915
	\$ 11,461,040	\$ 862,199	\$ 12,323,239	\$ 12,540,563	\$ 1,881,915	\$ 14,422,478

The accompanying notes are an integral part of these financial statements

Fondation St. Luc – Haiti

Statements of Cash Flows

(Expressed in US Dollars)

	<u>For the year ended</u> <u>December 31, 2021</u>	<u>For the year ended</u> <u>December 31, 2020</u>
OPERATING ACTIVITIES		
Excess of (loss) income over expenses	\$ (816,486)	\$ (1,891,081)
Items not affecting cash:		
Depreciation	862,199	1,881,915
Gain or (Loss) on Exchange	329,368	426,575
Change in Operating Assets and Liabilities:		
Accounts Receivable	154,073	220,932
Liabilities	<u>(604,598)</u>	<u>449,468</u>
Net cash provided by operating activities	<u>(75,444)</u>	<u>1,087,809</u>
INVESTING ACTIVITIES		
Additions to fixed assets	<u>(372,049)</u>	<u>(751,713)</u>
Increase (Decrease) in cash during the year	(447,493)	336,096
Cash, beginning of year	<u>1,189,803</u>	<u>853,707</u>
Cash, end of year	<u>\$ 742,310</u>	<u>\$ 1,189,803</u>

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

Fondation St. Luc – Haiti

Notes to the Financial Statements

For the years ended December 31, 2021 and 2020

1. History and operations of the Institution

The St. Luc Foundation started informally in 1999 when the National Director of Nos Petits Freres et Soeurs, Haiti began providing mobile medical care in the poorest areas of Port au Prince. A number of unemployed graduates of the NPFS home and school started to help him, since they were eager for work in a country of massive unemployment. They learned important skills fast, and it was soon evident that many of them could organize large scale and important humanitarian venture.

This led to the formation of schools, clinics, two hospitals, attention to malnourished children, sports programs, higher education opportunities in Haiti and abroad, and social justice engagements including burial of the destitute dead of the city morgue.

The foundation was named after St. Luc (French for Luke), who was a physician and evangelist, since the work of the foundation was gospel driven, and aimed at the “fullness of life” Jesus wished for all people.

As a Roman Catholic institution which neither proselytizes nor discriminates, the Foundation works in collaboration with the Archbishop of Port au Prince and the Apostolic Nuncio to Haiti.

Fondation St Luc was formally recognized by the Haitian government in 2011.

The Board of Directors consists of the International Director, the National director, and two Committee Members.

Various committees assist the National Director in the formation of programs, their ongoing improvement and oversight.

Founding Partners

The Catholic Religious Congregation of priests and brothers known as **The Passionists** was the first and main source of moral and financial support for the creation of the St. Luc programs. The Foundation owes its existence to The Passionists. In recognition of this founding help, the St. Luc Foundation symbolically incorporated the sign (logo) of the Passionists into the logo of Fondation St. Luc.

Since the St Luc programs were conceived and are managed by the graduates of Nos Petits Frères et Soeurs homes and schools, the NPFS logo is also symbolically incorporated.

To learn more about Nos Petits Frères et Soeurs (Nuestros Pequeños Hermanos).

The founding contribution of the Passionists was quickly built upon by Fondazione Francesca Rava (NPH Italy), notable for the creation of a vast number of programs, purchases of property, construction of activity sites and continuity of program support, since the year 2000 to the present.

The Passionists and the Rava Foundation laid the base upon which many other valuable partners have been able to make magnificent contributions over these many years.

Fondation St Luc has entities in USA and Canada with exclusive representation of the Foundation and fundraising rights.

The St Luke Foundation for Haiti-USA

The St Luke Foundation for Haiti-Canada

2. Summary of significant accounting policies

Basis of presentation

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

Donations

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

Expenses

Expenses are recorded when incurred.

Fixed assets and depreciation

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

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

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

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

Construction in progress

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

3. Grant Revenues from Donors

Grant Revenues from donors for the years ended December 31, 2021 and 2020 are classified as follows:

1. Temporarily Restricted Income from NPH Offices

	December 31, 2021	December 31, 2020
NPF-Ireland	\$ -	\$ 472
NPH Austria	-	5,501
NPH Deutschland	22,348	865,526
NPH Italia	448,543	442,047
NPH Nederland (Wereldouders)	-	2,118
NPH - UK	-	1,908
NPH – HAITI	<u>489,923</u>	<u>-</u>
Total Temporarily Restricted Income from NPH Offices	<u>\$ 960,814</u>	<u>\$ 1,404,572</u>

2. Temporarily Restricted Income from Other Organizations

	December 31, 2021	December 31, 2020
Income from Andrea Bocelli Foundation	\$ 1,835,485	\$ 1,707,545
Income from Artist for Peace & Justice (USA & Canada)	172,409	240,696
Income from St-Luke Foundation – USA	<u>3,468,818</u>	<u>925,526⁽¹⁾</u>
Total Temporarily Restricted Income from Other Organizations	<u>\$ 5,476,712</u>	<u>\$ 2,873,762</u>
Total Temporarily Restricted Income	<u>\$ 6,437,526</u>	<u>\$ 4,278,339</u>

⁽¹⁾ Those funds are received directly by St-Luke Foundation – USA from various donors: Bedolfe Foundation, FOTO Canada for St-Luke Foundation Canada, Krafft Family Trust, Our Little Brothers & Sisters, Grants & Foundations, Passionist Community, Sisters of the Humility of Mary, and St-Alphonsus Foundation, and are transferred to St-Luc Haiti for the related programs.

3. Unrestricted Income from other NPH Offices and other Organizations

	December 31, 2021	December 31, 2020
	<u>2021</u>	<u>2020</u>
NPH-Germany	\$ -	\$ 71,351
Income from St-Luke Foundation-USA	988,107	2,633,323
Direct Relief International	-	10,000
	<u>\$ 988,107</u>	<u>\$ 2714,674</u>

4. Other Income

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

	December 31, 2021	December 31, 2020
	<u>2021</u>	<u>2020</u>
Contributions Education Programs	\$ 1,100,477	\$ 1,459,320
Contributions Francisville Production	421,618	1,060,972
Contributions from Farm	304,608	452,560
Contributions Healthcare Prgrams	1,283,098	1,075,952
Contributions Villa Francesca	160,469	353,772
Contributions Water Programms	46,538	42,850
Income START Solar Energy	239,534	185,503
Income from General Sources	487,602	733,445
Income from Various Organizations	18,476	109,010
Various Other Donations	18,700	65,000
	<u>\$ 4,081,120</u>	<u>\$ 5,538,384</u>

5. Expenses

Overall approach

The St. Luc team necessarily works in some of the most challenging areas of Haiti. The goal is, as a matter of justice, to bring to the poorest people the benefits of education and healthcare, in the context of Christian faith. A secondary goal is to provide jobs which humanize and dignify the many disgraceful conditions in which people live. Consequently, the St. Luc team works in frequent exposure to danger, and under conditions which challenge attempts to organize and create infrastructure. Hurricanes and other natural disasters, the reality of armed gangs and kidnappers, the unruliness of desperate masses of people for whom pressures to survive provoke forms of panic behavior that are difficult to manage. These realities represent a formidable challenge to any success.

In spite of the challenges, the St. Luc team strives to create jobs, and the jobs generate production, and the products can be sold to continue the cycle of work and hope.

Agricultural Programs

Investment in food security (agriculture, beekeeping, tilapia farms, livestock) as a food for St Luc and NPFS Programs

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

Community Development

Construction of housing

Investment in cemeteries, and burial of destitute dead

Programs with youth for peace

Sessions with community leaders for conflict management

Food Distributions

Investment in Sports Activities for youth

Workforces for cleaning neighborhoods and draining canals

Disaster Relief

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

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

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

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

Education

Operation and supervision of St Luc School system, 35 schools of all levels except for University.

Ongoing formation for our own staffs Travel opportunities for enrichment and learning.

Healthcare

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

Tailored surgical and medical interventions for people victims of trauma and violence living in the marginalized areas of Port-au-Prince.

Routine Clinics in rural community-based settings.

Community Health Education

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

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

Hosting and promoting seminars in continuing medical education

Partnership with Nos Petits Frères et Soeurs

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

The partnership includes

Shared warehouse space, shared pharmacy space, shared central power grid, shared laundry services, shared ambulance services, sharing of patients depending on overflow and capacity.

Renewable Energy

This effort includes:

The construction and management of the central grid, the hybrid generator-solar system that supplies the electric power needs of NPFS and St Luc programs in Tabarre. Designed, built and funded by NPH Germany and Biohaus.

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

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

Social Businesses

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

Small businesses to create work opportunities especially for the disabled

Helping in limited numbers of cases marginalized people start a small business for family sustenance.

Francisville Center: Large volume production of bread, pasta, cement block, cobblestone, oxygen production, industrial sewing, solar energy center, commercial laundry service, vehicle repair shop, mechanic and welding shop, farms.

Fondation St. Luc – Haiti

Notes to Financial Statements

For the years ended December 31, 2021 and 2020

6. Fixed Assets

	COST			December 31, 2021
	December 31, 2020	Acquisitions/Disposals	Transfers	
Buildings	\$ 22,161,744	273,241	\$ 153,762	\$ 22,588,747
Vehicles	1,656,095	105,808	-	1,761,903
Machinery and Equipments	2,726,490	(7,000)	-	2,719,490
Land	4,247,580	-	-	4,247,580
Construction in Progress	153,762	-	(153,762)	-
	<u>\$ 30,945,671</u>	<u>\$ 372,049</u>	<u>\$ -</u>	<u>\$ 31,317,720</u>

	ACCUMULATED DEPRECIATION			December 31, 2021
	December 31, 2020	Depreciation	Adjustment	
Buildings	\$ 6,309,540	\$ 1,108,872	\$ -	\$ 7,418,412
Vehicles	1,821,132	15,689	(165,037)	1,671,784
Machinery and Equipments	2,816,815	-	(97,325)	2,719,490
	<u>\$ 10,947,487</u>	<u>\$ 1,124,561</u>	<u>\$ (262,362)</u>	<u>\$ 11,809,686</u>

7. Accounts payable

Liabilities of \$ 421,907 and \$ 1,026,505 at December 2021 and 2020 respectively, represent checks issued that were still outstanding as of those dates.

8. Reclassifications

Certain amounts in prior year's financial statements have been reclassified to conform to the 2021 presentation.