

FINANCIAL STATEMENTS

HAITI PARTNERS, INC.

June 30, 2020 and 2019



C O N T E N T S

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November 3, 2020

Board of Directors
Haiti Partners, Inc.
Vero Beach, Florida

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of Haiti Partners, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the year 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 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 Haiti Partners, Inc. as of June 30, 2020 and 2019, 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.

Hill, Barth & King LLC

Certified Public Accountants

STATEMENTS OF FINANCIAL POSITION

HAITI PARTNERS, INC.

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 294,686	\$ 498,860
<u>PROPERTY AND EQUIPMENT, NET - NOTE C</u>	1,188,527	1,011,445
<u>DEPOSITS</u>	13,000	13,000
TOTAL ASSETS	<u>\$ 1,496,213</u>	<u>\$ 1,523,305</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued liabilities	\$ 6,539	\$ 8,430
Deferred grant revenue	25,000	250,000
TOTAL CURRENT LIABILITIES	31,539	258,430
<u>LONG TERM DEBT - NOTE D</u>	39,740	0
<u>NET ASSETS WITHOUT DONOR RESTRICTIONS</u>	1,262,218	0
<u>NET ASSETS WITH DONOR RESTRICTIONS</u>	162,716	1,264,875
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,496,213</u>	<u>\$ 1,523,305</u>

See accompanying notes to financial statements

STATEMENTS OF ACTIVITIES

HAITI PARTNERS, INC.

Year ended June 30, 2020

	<u>WITHOUT DONOR RES TR ICTIONS</u>	<u>WITH DONOR RES TR ICTIONS</u>	<u>TOTAL</u>
<u>PUBLIC SUPPORT AND REVENUE</u>			
Contributions and private grants	\$ 620,813	\$ 387,716	\$ 1,008,529
In-kind contributions - NOTE E	8,400	0	8,400
Fundraising events, net of \$59,832 of expenses in 2020	94,571	0	94,571
Other income	19,395	0	19,395
Net assets released from donor restrictions	225,000	(225,000)	0
TOTAL PUBLIC SUPPORT AND REVENUE	968,179	162,716	1,130,895
 <u>EXPENSES</u>			
Program services:			
Schools	762,606	0	762,606
Churches	54,300	0	54,300
TOTAL PROGRAM SERVICES	816,906	0	816,906
Supporting services:			
Fundraising	61,196	0	61,196
Management and general	94,306	0	94,306
TOTAL SUPPORTING SERVICES	155,502	0	155,502
TOTAL EXPENSES	972,408	0	972,408
 <u>INVESTMENT RETURN, NET</u>	 1,572	 0	 1,572
TOTAL NONOPERATING ACTIVITIES	1,572	0	1,572
 CHANGES IN NET ASSETS	 (2,657)	 162,716	 160,059
 <u>NET ASSETS</u>			
Beginning of year	1,264,875	0	1,264,875
End of year	\$ 1,262,218	\$ 162,716	\$ 1,424,934

See accompanying notes to financial statements

STATEMENTS OF ACTIVITIES (CONTINUED)

HAITI PARTNERS, INC.

Year ended June 30, 2019

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<u>PUBLIC SUPPORT AND REVENUE</u>			
Contributions and private grants	\$ 517,114	\$ 232,026	\$ 749,140
In-kind contributions - NOTE E	32,025	0	32,025
Fundraising events, net of \$43,626 of expenses in 2019	65,896	0	65,896
Other income	2,320	0	2,320
Net assets released from donor restrictions	232,026	(232,026)	0
TOTAL PUBLIC SUPPORT AND REVENUE	849,381	0	849,381
<u>EXPENSES</u>			
Program services:			
Schools	584,928	0	584,928
Churches	93,168	0	93,168
TOTAL PROGRAM SERVICES	678,096	0	678,096
Supporting services:			
Fundraising	39,546	0	39,546
Management and general	61,037	0	61,037
TOTAL SUPPORTING SERVICES	100,583	0	100,583
TOTAL EXPENSES	778,679	0	778,679
<u>INVESTMENT RETURN, NET</u>	37	0	37
TOTAL NONOPERATING ACTIVITIES	37	0	37
CHANGES IN NET ASSETS	70,739	0	70,739
<u>NET ASSETS</u>			
Beginning of year	1,194,136	0	1,194,136
End of year	\$ 1,264,875	\$ 0	\$ 1,264,875

See accompanying notes to financial statements

STATEMENTS OF FUNCTIONAL EXPENSES

HAITI PARTNERS, INC.

Year ended June 30, 2020

	PROGRAM SERVICES			SUPPORTING SERVICES			
	Schools	Churches	Total	Fundraising	Management	Total	Total
			Program		and	Supporting	
		Services	General	Services			
Bank fees	\$ 3,580	\$ 0	\$ 3,580	\$ 512	\$ 1,116	\$ 1,628	\$ 5,208
Communications	18,343	0	18,343	5,241	2,620	7,861	26,204
Contract and consulting	4,570	0	4,570	653	1,306	1,959	6,529
Depreciation	27,082	0	27,082	0	0	0	27,082
Fundraising expenses	0	0	0	59,832	0	59,832	59,832
Grants	77,420	54,300	131,720	0	0	0	131,720
Insurance	1,357	0	1,357	194	388	582	1,939
Miscellaneous expenses	33,733	0	33,733	3,108	3,106	6,214	39,947
Newsletters & mailings	5,366	0	5,366	1,789	1,789	3,578	8,944
Occupancy costs	77,632	0	77,632	11,090	22,181	33,271	110,903
Professional fees	29,801	0	29,801	2,438	4,877	7,315	37,116
Program costs	147,426	0	147,426	4,767	2,156	6,923	154,349
Promotional and educational materials	6,905	0	6,905	2,302	2,302	4,604	11,509
Supplies	24,512	0	24,512	2,991	2,991	5,982	30,494
Travel	33,782	0	33,782	2,498	2,498	4,996	38,778
Wages and benefits	271,097	0	271,097	23,613	46,976	70,589	341,686
	762,606	54,300	816,906	121,028	94,306	215,334	1,032,240
Less special event expenses	0	0	0	(59,832)	0	(59,832)	(59,832)
TOTAL	\$ 762,606	\$ 54,300	\$ 816,906	\$ 61,196	\$ 94,306	\$ 155,502	\$ 972,408

See accompanying notes to financial statements

STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

HAITI PARTNERS, INC.

Year ended June 30, 2019

	PROGRAM SERVICES			SUPPORTING SERVICES			Total
	Schools	Churches	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Bank fees	\$ 4,063	\$ 0	\$ 4,063	\$ 580	\$ 1,161	\$ 1,741	\$ 5,804
Communications	17,600	0	17,600	5,029	2,514	7,543	25,143
Contract and consulting	605	0	605	86	173	259	864
Depreciation	38,678	0	38,678	0	0	0	38,678
Fundraising	0	0	0	43,626	0	43,626	43,626
Grants	69,820	93,168	162,988	0	0	0	162,988
Insurance	1,742	0	1,742	249	498	747	2,489
Miscellaneous	6,952	0	6,952	2,258	2,256	4,514	11,466
Newsletters and mailings	5,065	0	5,065	1,688	1,688	3,376	8,441
Occupancy costs	31,856	0	31,856	4,551	9,102	13,653	45,509
Professional fees	14,925	0	14,925	920	1,840	2,760	17,685
Program costs	103,973	0	103,973	221	0	221	104,194
Promotional and educational materials	3,718	0	3,718	1,240	1,240	2,480	6,198
Supplies	17,928	0	17,928	1,927	1,927	3,854	21,782
Travel	54,392	0	54,392	2,835	2,835	5,670	60,062
Wages and benefits	213,611	0	213,611	17,962	35,803	53,765	267,376
	<u>584,928</u>	<u>93,168</u>	<u>678,096</u>	<u>83,172</u>	<u>61,037</u>	<u>144,209</u>	<u>822,305</u>
Less special event expenses	0	0	0	(43,626)	0	(43,626)	(43,626)
TOTAL	<u>\$ 584,928</u>	<u>\$ 93,168</u>	<u>\$ 678,096</u>	<u>\$ 39,546</u>	<u>\$ 61,037</u>	<u>\$ 100,583</u>	<u>\$ 778,679</u>

See accompanying notes to financial statements

STATEMENTS OF CASH FLOWS

HAITI PARTNERS, INC.

Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from public support and revenue	\$ 905,895	\$ 1,084,381
Cash paid to suppliers and employees	(947,217)	(745,153)
Investment income	1,572	37
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(39,750)</u>	<u>339,265</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Cash paid for purchase of property and equipment	(204,164)	(18,220)
NET CASH USED IN INVESTING ACTIVITIES	<u>(204,164)</u>	<u>(18,220)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Borrowings on long-term debt	39,740	0
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>39,740</u>	<u>0</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(204,174)	321,045
<u>CASH AND CASH EQUIVALENTS</u>		
Beginning of year	498,860	177,815
End of year	<u>\$ 294,686</u>	<u>\$ 498,860</u>
<u>RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>		
Changes in net assets	\$ 160,059	\$ 70,739
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	27,082	38,678
Increase in assets:		
Deposits	0	(13,000)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(1,891)	7,848
Deferred revenue	(225,000)	235,000
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (39,750)</u>	<u>\$ 339,265</u>

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

HAITI PARTNERS, INC.

June 30, 2020 and 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

Haiti Partners, Inc. (the Organization), is a not-for-profit corporation which was organized under Internal Revenue Code 501(c)(3) in the State of Florida on October 9, 2008 and began operating on July 1, 2010. The Organization is funded through donations, grants, and fundraising events.

The Organization adheres to the following mission, vision and values:

Mission – Helping Haitians change Haiti through education.

Vision – Haiti becomes a story of transformation. Haiti Partners and the Children’s Academy and Learning Center model influences the future of learning and collaboration in Haiti and beyond.

Values –

Compassion – Trust in the transformative power of compassion.

Learning – Learn, improve and share with humility and gratitude.

Accountability – Be responsible to everyone connected with this work.

Partnership – Partnership makes us more effective, productive, and joyful.

Respect – Respect the dignity, voice and potential of each person.

The Organization expresses its vision, mission and values through 2 programs. These programs offer an integrated approach where success in one supports and enhances success in the others. More information on these programs can be found on its website, www.haitipartners.org.

Quality Schools – Develop schools that help children realize their potential while driving community development and lifelong learning.

Holistic Churches – Mobilize churches to help people engage for justice and deepen in faith.

New Accounting Pronouncement:

In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this standard include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance to better distinguish between conditional and unconditional contributions.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

HAITI PARTNERS, INC.

June 30, 2020 and 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement (Continued):

The Organization adopted this standard prospectively for contributions received for the fiscal year ended June 30, 2020. Based on the Organization's review of its grants and contracts, the timing and amount of revenue recognized previously is consistent with how revenue recognized under this new standard. The adoption of this standard had no impact on the statements of financial position and the statements of activities.

Basis of Presentation:

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("US GAAP"), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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 directors.

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 has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Use of Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents:

The Organization considers highly liquid debt instruments purchased with original maturity dates of three months or less to be cash equivalents.

Property and Equipment:

The Organization capitalizes all long-lived assets with an estimated useful life of three years or more and original cost of \$2,500 or more. Property and equipment are stated at cost or, if donated, at the approximate fair value as of the date of donation.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

HAITI PARTNERS, INC.

June 30, 2020 and 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued):

Depreciation is computed using the straight-line method over the estimated useful lives ranging from three to thirty-nine years. Management annually reviews these assets to determine whether carrying values have been impaired. Expenditures for maintenance and repairs are charged to expense as incurred. The estimated useful lives used to compute depreciation are:

Buildings	39 years
Vehicles	5 years
Computers and equipment	3 to 5 years
Furniture and office equipment	5 years

Revenue Recognition:

Contributions

Contributions received are measured at their fair value and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as public support and revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. Donor restricted contributions whose restrictions are met in the same reporting period are reported as support with donor restrictions.

The Organization reports gifts of goods and equipment as without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Unconditional promises to give cash over a period of time exceeding one year are recorded at the present value of their estimated future cash flows using a discount rate appropriate for the level of risk involved. Any related interest income is recorded as contribution revenue in the year received.

Grants and Contract Revenue

Grants and contract revenue is recognized when the allowable costs as defined by the individual grants and contracts are incurred.

Donated Materials and Services:

Donated materials and equipment are reflected as contributions at their estimated values at date of receipt. Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

HAITI PARTNERS, INC.

June 30, 2020 and 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expense Allocation:

The costs of various programs have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, costs have been allocated among the program and support services based upon function of activity and a percentage of time spent by employees.

Income Taxes:

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes.

Subsequent Events:

Management evaluated all activity of the Organization through November 3, 2020, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements or notes.

NOTE B - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances with three financial institutions. One financial institution is insured by the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation and is subject to various limits and conditions and during the year balances may fluctuate above and below the limits. Uninsured balances at June 30, 2020 and 2019 were \$14,361 and \$14,750, respectively.

During the year ended June 30, 2020, the Organization had one major customer comprising revenue of approximately 16% of total revenue. During the year ended June 30, 2019, the Organization had no major customers comprising a significant portion of revenue.

NOTE C - PROPERTY AND EQUIPMENT

Following is a summary of property and equipment as of June 30:

	<u>2020</u>	<u>2019</u>
Land	\$ 81,703	\$ 81,703
Building and improvements	1,012,273	1,012,273
Furniture and office equipment	11,536	11,536
Vehicles	74,000	74,000
Computers and equipment	19,045	19,045
Construction in progress	<u>260,519</u>	<u>56,354</u>
	1,459,076	1,254,911
Less accumulated depreciation	<u>270,549</u>	<u>243,466</u>
NET PROPERTY AND EQUIPMENT	<u>\$ 1,188,527</u>	<u>\$ 1,011,445</u>

Depreciation expense for the years ended June 30, 2020 and 2019 amounted to \$27,082 and \$38,678, respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

HAITI PARTNERS, INC.

June 30, 2020 and 2019

NOTE C - PROPERTY AND EQUIPMENT (CONTINUED)

The Children’s Academy and Learning Center Complex concluded its first phase during a previous fiscal year, with the completion of the first school building and the first and second floors of the learning complex. Based on current projections, the Organization is anticipating that construction will be completed in phases over a 10-year period with a total expected cost of approximately \$7,800,000.

The Organization anticipates that financing for the project will come from fundraising/capital campaigns, partnerships with US-based churches, companies, foundations, and major donors (individuals) plus grants from international organizations and companies based in Haiti.

NOTE D - LONG-TERM DEBT

In response to the COVID-19 outbreak, on May 4, 2020, the Organization was granted a loan from Bank of America in the aggregate amount of \$39,740, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The loan, which was in the form of a note dated May 4, 2020, matures on May 4, 2022 and bears interest at a rate of 1% per annum, payable monthly commencing on December 4, 2020.

The note may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred during the covered period in 2020. The Organization intends to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

NOTE E - IN-KIND CONTRIBUTIONS

The Organization received contributions of services and supplies for which the donor received no value. The contributions of services have been recorded as revenue at their fair value. Below are the services and supplies received for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Architect services	\$ 8,400	\$ 8,485
Rent	0	23,540
	<u>\$ 8,400</u>	<u>\$ 32,025</u>

Contributed rent and architectural services have been expensed in the statements of activities.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

HAITI PARTNERS, INC.

June 30, 2020 and 2019

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Children's Academy	\$ 225,000	\$ 121,396
Micah Scholars Program	0	9,650
Partners	0	1,949
Schools Program	0	99,605
	<u>\$ 225,000</u>	<u>\$ 232,600</u>

NOTE G - RELATED PARTY TRANSACTIONS

The Organization reimburses one of the co-directors and his family for the cost of lodging and meals incurred for partners staying in his home in Haiti. This arrangement was approved in advance by the Board of Directors for the purposes of providing safe and cost-effective travel for the hundreds of people visiting the Organization's work each year. He and his family are also reimbursed for the cost of providing meals each day to construction workers at the Children's Academy as a portion of their compensation. Reimbursements for the years ended June 30, 2020 and 2019 were \$32,504 and \$31,297, respectively.

NOTE H - LEASES

During 2019, the Organization began leasing office space and cooperative work space under non-cancelable operating leases. The leases require monthly payments of \$1,500 and \$6,595 and expire July 31, 2021 and June 6, 2020, respectively. Total rental expense for the year ended June 30, 2020 was \$89,045. The fiscal year minimum future rental payment is \$1,500 for 2021.

NOTE I - TRANSITION ACTIVITIES

The Organization approved a transition strategy in January 2017 as it pertains to the Holistic Churches program as part of a decision to hone their focus on the Quality Schools program. The transition strategy implementation began in July 2017 and included an agreement with Development Associates International (DAI) for DAI to take the program over. DAI is a registered 501(c)(3) organization with experience in strengthening church leadership in dozens of developing countries. Effective July 1, 2018, DAI fully integrated what was Haiti Partners Holistic Churches program into DAI programming. The total amount of unrestricted funds paid to carry this strategy out and to assure a smooth transition was \$280,970 over three years.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

HAITI PARTNERS, INC.

June 30, 2020 and 2019

NOTE I - TRANSITION ACTIVITIES (CONTINUED)

During fiscal year ended June 30, 2020 and June 30, 2019, the Organization provided DAI \$54,000 and \$83,518, respectively, of unrestricted revenue toward total expenses of the Holistic Churches Program. The grants made on behalf of the Holistic Churches program are reflected as Churches program expenses on the Statement of Activities during the fiscal year ended June 30, 2020 and June 30, 2019. There are no liabilities related to this activity. All net assets with donor restrictions related to the program were spent during the fiscal year.

NOTE J - AVAILABILITY AND LIQUIDITY

As of June 30, 2020, the Organization has working capital of \$263,147 and average days (based on normal expenditures) cash on hand of 100 days.

The following represents the Organization's financial assets at June 30, 2020:

FINANCIAL ASSETS AT YEAR END:

Cash and cash equivalents	<u>\$ 294,686</u>
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FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES OVER THE NEXT TWELVE MONTHS	<u><u>\$ 294,686</u></u>
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The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$255,000).

NOTE K – RISKS AND UNCERTANTIES

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.