

*Lyndon S. Remias, CPA, CIA*  
Certified Public Accountant and Certified Internal Auditor

***REPORT OF INDEPENDENT AUDITOR***

To the Board of Directors  
Maison Fortune Orphanage Foundation

I have audited the accompanying statement of financial position of **Maison Fortune Orphanage Foundation** as of June 30, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Maison Fortune Orphanage Foundation** as of June 30, 2009, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Lyndon S. Remias*

Virginia Beach, VA  
October 15, 2009

**MAISON FORTUNÉ ORPHANAGE FOUNDATION**

**STATEMENT OF FINANCIAL POSITION**

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**June 30, 2009**

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**ASSETS**

Cash	\$	98,850
Investments		111,946
Certificate of Deposit		12,975
Pledges receivable, net		0
Other receivables - Endowment Fund Pledges		407,275
Land (House Project)		0
Construction-in-Progress (House Project)		<u>0</u>
Total Assets	\$	<u>631,046</u>

**LIABILITIES**

**Liabilities**

Accounts payable	\$	100
Accrued expenses		0
Funds held as intermediary		0
Note payable (House Project)		<u>0</u>
Total Liabilities		<u>100</u>

**Net assets**

Unrestricted		60,739
Temporarily restricted		<u>570,207</u>
Total net assets		<u>630,946</u>
Total liabilities and net assets	\$	<u>631,046</u>

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

**MAISON FORTUNÉ ORPHANAGE FOUNDATION**

**STATEMENT OF  
ACTIVITIES**

**Fiscal Year Ended June 30, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenue and support</b>		0	
Contributions	\$ 303,994	\$ 85,472	\$ 389,466
Pledges	0	(73,950)	(73,950)
Donated materials, facilities and services	0	0	0
Special events, net	0	0	0
Sale of commemorative prints, net	0	0	0
Investment income (loss)	54	(21,377)	(21,323)
Net assets released from restrictions	0	0	0
	<u>304,048</u>	<u>(9,855)</u>	<u>294,193</u>
<b>Expenses</b>			
Grants and awards			
Construction of boys' campus	0	0	0
Construction of girls' campus	32,881	8,760	41,641
Furnishings	0	0	0
Donated materials, facilities and services	0	0	0
Contract services	0	0	0
Internet expense	0	1,100	1,100
Other operational expenses	213,742	19,325	233,067
Other program expenses	0	0	0
Fundraising expenses	0	0	0
	<u>246,623</u>	<u>29,185</u>	<u>275,808</u>
<b>Change in net assets</b>	57,425	(39,040)	18,385
<b>Net assets - beginning of year</b>	<u>3,314</u>	<u>609,247</u>	<u>612,561</u>
<b>Net assets - end of year</b>	<u>\$ 60,739</u>	<u>\$ 570,207</u>	<u>\$ 630,946</u>

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

**MAISON FORTUNÉ ORPHANAGE FOUNDATION**

**STATEMENT OF CASH FLOWS**

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**Fiscal Year Ended June 30, 2009**

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**Cash flows from operating activities**

Cash from contributions	\$	360,569
Cash from pledges		23,944
Cash from interest earned		54
Payments for operating and administrative expenses		<u>(275,808)</u>

**Net cash from operating activities**

108,759

**Cash flows from investing activities**

Net increase in investments		0
Transfer to endowment investment account		(25,280)
Transfer to endowment CD		(12,975)
Increase in construction-in-progress		<u>0</u>

**Net cash from investing activities**

(38,255)

**Cash flows from financing activities**

Proceeds from note payable		<u>0</u>
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**Net cash from financing activities**

0

**Net change in cash**

70,504

**Cash - beginning of year**

28,346

**Cash - end of year**

\$ 98,850

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

**MAISON FORTUNÉ ORPHANAGE FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

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**Fiscal Year Ended June 30, 2009**

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	<b>Total Program Expenses</b>	<b>Fundraising</b>	<b>Management and General</b>	<b>Total</b>
Salaries	50,160	0	0	50,160
Girls' Campus	37,741	0	0	37,741
Tuitions	11,000	0	0	11,000
Endowment Fund	0	0	0	0
Capital	3,900	0	0	3,900
Library	2,069	0	0	2,069
Wellness	1,097	0	0	1,097
Supplies	324	0	0	324
Printing	1,225	0	0	1,225
Postage	0	0	1,395	1,395
Travel	507	0	0	507
Internet	1,100	0	0	1,100
Other Operating Expenses*	165,290	0	0	165,290
	<u>274,413</u>	<u>0</u>	<u>1,395</u>	<u>275,808</u>

\*Other operating expenses include items such as food, fuel, medical, etc.

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

## ***MAISON FORTUNE ORPHANAGE FOUNDATION***

### ***NOTES TO FINANCIAL STATEMENTS***

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**June 30, 2009**

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#### **1. Nature of Activities**

Maison Fortune Orphanage is located near the city of Hinche in the central plateau region of the impoverished country of Haiti.

Founded in February of 2000 by a young Haitian man named Lefort Jean-Louis, Maison Fortune Orphanage originally opened with just four boys in space leased from the Diocese of Hinche. Since then the number of children has continued to grow rapidly. Many of the children now at the orphanage are here because their parents have either passed away or are simply too sick or poor to care for them any longer. With nowhere else to go these children who are often referred to as kokorat or grapiay (meaning "leftovers"), were often left to live in the streets. Had it not been for this remarkable man and his orphanage, it is believed many of these children probably would have died.

With more and more children arriving, the orphanage soon found itself in need of more space and in December 2002 Jean-Louis was able to complete the purchase of approximately 2 1/2 acres of land that is now the home of Maison Fortuné Orphanage. This move has allowed us to offer the growing number of orphaned and less fortunate children a safe alternative to living in the streets. Today Maison Fortune Orphanage provides nearly 80 resident children with food, shelter, clothing, and an education, all in a loving Christian environment. In addition to caring for the children living at the orphanage, we have also expanded our services to provide an education and meal each day to another 75 children that attend the free day school here at the orphanage.

While much has been accomplished, there is still much more to be done. From continuing to provide the very basic needs of food, shelter, clothing, and clean drinking water, to providing an education, and basic healthcare. The children's needs are many, and the number of children at the orphanage continues to grow.

There is an old Haitian proverb that says, "What the eye does not see, does not move the heart". It is with that in mind that this web site was launched. Not only to keep those already involved informed of the progress being made here at Maison Fortuné Orphanage, but also in the hopes that it may move their hearts and the hearts of others.

## 2. Summary of Significant Accounting Policies

### Financial Statement Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. The statements are presented in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets; temporarily restricted net assets; and permanently restricted net assets. A description of the three net asset categories follows:

#### *Unrestricted*

Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

#### *Temporarily Restricted*

Net assets whose use by the Foundation is subject to donor-imposed restrictions that can be fulfilled by action of the Foundation pursuant to those restrictions or that expire by the passage of time, such as pledges receivable.

#### *Permanently Restricted*

Net assets subject to donor-imposed restrictions that may be maintained permanently by the recipient organization. At June 30, 2009, the Foundation did not have any permanently restricted net assets.

### Revenue Recognition

Contributions received are recorded as unrestricted, temporarily or permanently restricted support, depending on the existence and nature of donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released for restrictions.

### Tax Status

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.