

Maison Fortuné Orphanage



Financial Statements

Year Ended June 30, 2010

Lyndon S. Remias, CPA, CIA

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, 2010, 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, 2010, 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 18, 2010

MAISON FORTUNÉ ORPHANAGE FOUNDATION
STATEMENT OF FINANCIAL POSITION

June 30, 2010

ASSETS

Cash	\$	179,456
Investments		147,493
Investments receivable, net		20,000
Certificates of Deposit		133,616
Accounts receivable, net (Commonwealth Catholic Charities)		23,268
Pledges receivable, net		0
Other receivables - Endowment Fund Pledges		<u>435,725</u>
Total Assets	\$	<u>939,558</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		240,456
Temporarily restricted		<u>699,001</u>
Total net assets		<u>939,457</u>
Total liabilities and net assets	\$	<u>939,557</u> *

*Note: Difference between Total Assets and Total Liabilities and Net Assets is due to rounding.

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

MAISON FORTUNÉ ORPHANAGE FOUNDATION
STATEMENT OF ACTIVITIES

Fiscal Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and support		0	
Contributions	\$ 412,875	\$ 109,513	\$ 522,388
Pledges, net	0	28,450	28,450
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)	67	13,858	13,925
Net assets released from restrictions	0	0	0
	<u>412,942</u>	<u>151,821</u>	<u>564,763</u>
Expenses			
Grants and awards			
Tuition, uniforms, and books	18,925	75	19,000
Generator and parts	2,028	8,325	10,353
Well and pumps	4,000	0	4,000
Solar panels and batteries	0	6,100	6,100
Furnishings	7,500	0	7,500
Building renovations	47,000	1,900	48,900
Bikes	6,467	0	6,467
Donated materials, facilities and services	0	0	0
Wellness expense	0	4,668	4,668
Library expense	0	459	459
Internet expense	0	1,500	1,500
Other operational expenses	143,859	0	143,859
Other program expenses	484	0	484
Fundraising expenses	2,963	0	2,963
	<u>233,225</u>	<u>23,027</u>	<u>256,252</u>
Change in net assets	179,717	128,794	308,511
Net assets - beginning of year	<u>60,739</u>	<u>570,207</u>	<u>630,946</u>
Net assets - end of year	<u>\$ 240,456</u>	<u>\$ 699,001</u>	<u>\$ 939,457</u>

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

**MAISON FORTUNÉ ORPHANAGE FOUNDATION
STATEMENT OF CASH FLOWS**

Fiscal Year Ended June 30, 2010

Cash flows from operating activities	
Cash from contributions	\$ 428,652
Cash from pledges	72,598
Cash from interest earned	67
Payments for operating and administrative expenses	<u>(356,252)</u>
Net cash from operating activities	<u>145,065</u>
 Cash flows from investing activities	
Net increase in investments	0
Transfer to endowment investment account	(44,459)
Transfer to endowment CD	(20,000)
Increase in construction-in-progress	<u>0</u>
Net cash from investing activities	<u>(64,459)</u>
 Cash flows from financing activities	
Proceeds from note payable	<u>0</u>
Net cash from financing activities	<u>0</u>
 Net change in cash	 80,606
Cash - beginning of year	<u>98,850</u>
Cash - end of year	<u>\$ 179,456</u>

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

MAISON FORTUNÉ ORPHANAGE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES

Fiscal Year Ended June 30, 2010

	Total Program Expenses	Fundraising	Management and General	Total
Salaries	56,400	0	0	56,400
Property rental	15,600	0	0	15,600
Generator and parts	10,353	0	0	10,353
Tuitions	19,000	0	0	19,000
Property taxes	1,000	0	0	1,000
Examination and Spirituality Program	2,000	0	0	2,000
Well and pumps	4,000	0	0	4,000
Solar panels and batteries	6,100	0	0	6,100
Building renovation	48,900	0	0	48,900
Furnishings	7,500	0	0	7,500
Container shipment	225	0	0	225
Endowment Fund	0	0	0	0
Bicycles	6,467	0	0	6,467
Library	459	0	0	459
Wellness	4,667	0	0	4,667
Supplies	0	0	52	52
Printing	0	2,296	4,338	6,634
Postage	0	0	509	509
Travel	0	667	733	1,400
Internet	1,500	0	0	1,500
Wire fees	0	0	500	500
Pay Pal fees	0	0	484	484
P.O. Box fee	0	0	44	44
Other Operating Expenses*	62,388	0	70	62,458
	246,559	2,963	6,730	256,252

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

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

MAISON FORTUNÉ ORPHANAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

June 30, 2010

1. Nature of Activities

Maison Fortune Orphanage is located near the city of Hinche in the central plateau region of Haiti. Founded in February of 2000 by a young Haitian man named Lefort Jean-Louis, Maison Fortuné Orphanage 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. Many of the recent arrivals were orphaned by the January 12, 2010 earthquake which devastated Port-au-Prince.

In December 2002 Jean-Louis was able to complete the purchase of approximately 2½ acres of land that is now the home of Maison Fortuné Orphanage. This move has allowed the orphanage to offer the growing number of orphaned and less fortunate children a safe alternative to living in the streets.

Today Maison Fortuné Orphanage provides over 200 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, Maison Fortuné has expanded it's services to provide an education and meal each day to more than 150 additional children that attend the free day school on campus.

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.

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:

MAISON FORTUNÉ ORPHANAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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, 2010, the Foundation did not have any permanently restricted net assets.

Receivables

Accounts Receivable, Net (Commonwealth Catholic Charities) consists of donated funds collected during the year by Commonwealth Catholic Charities intended for the Foundation. Other Receivables – Endowment Fund Pledges represents donors' pledged amounts intended for the Foundation's Endowment Fund that haven't been collected yet. Donors pledged assets such as cash, life insurance proceeds, and will bequests. Investments Receivable, Net consists of funds the Foundation had transferred to Commonwealth Catholic Charities for the purpose of depositing into the Foundation's Endowment Fund investment account. These funds hadn't been deposited by fiscal year end.

Investments

The Investments account consists of donor-restricted funds that were deposited into the Foundation's Endowment Fund and the related market gains/losses. The Foundation's Endowment Fund assets are deposited into a joint account centrally managed by the Catholic Diocese of Richmond, which includes investment funds from other organizations in the Diocese. The centrally managed account allows the Foundation to assume less investment risk and take advantage of lower administrative fees for the account.

MAISON FORTUNÉ ORPHANAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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.