

FINANCIAL STATEMENTS

HAITI PARTNERS, INC.

June 30, 2016 and 2015



C O N T E N T S

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September 28, 2016

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

Independent Auditor's Report

We have audited the accompanying financial statements of Haiti Partners, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2016, 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 audit. We conducted our audit 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, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 23, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hill, Barth & King LLC

Certified Public Accountants

STATEMENTS OF FINANCIAL POSITION

HAITI PARTNERS, INC.

June 30, 2016 and 2015

<u>A S S E T S</u>	<u>2016</u>	<u>2015</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 107,227	\$ 150,809
Investments - NOTES C AND H	<u>0</u>	<u>23,496</u>
TOTAL CURRENT ASSETS	<u>107,227</u>	<u>174,305</u>
<u>PROPERTY AND EQUIPMENT, NET - NOTE D</u>	<u>1,118,593</u>	<u>1,164,860</u>
TOTAL ASSETS	<u>\$ 1,225,820</u>	<u>\$ 1,339,165</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued liabilities	\$ 17,803	\$ 18,564
Deferred grant revenue	<u>8,000</u>	<u>39,250</u>
TOTAL CURRENT LIABILITIES	<u>25,803</u>	<u>57,814</u>
 <u>NET ASSETS</u>		
Unrestricted	1,133,389	1,269,315
Temporarily restricted - NOTE F	<u>66,628</u>	<u>12,036</u>
TOTAL NET ASSETS	<u>1,200,017</u>	<u>1,281,351</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,225,820</u>	<u>\$ 1,339,165</u>

See accompanying notes to financial statements

STATEMENTS OF ACTIVITIES

HAITI PARTNERS, INC.

Year ended June 30, 2016
(with comparative totals for 2015)

	2016			2015
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
<u>PUBLIC SUPPORT AND REVENUE</u>				
Contributions and private grants	\$ 352,403	\$ 813,019	\$ 1,165,422	\$ 1,488,935
In-kind contributions - NOTE E	102,652	0	102,652	75,144
Fundraising events, net \$29,384 and \$10,637 of expenses in 2016 and 2015, respectively	54,393	0	54,393	30,115
Investment income (loss)	(84)	0	(84)	11
Other income	2,841	0	2,841	123
Net assets released from donor restrictions	758,427	(758,427)	0	0
TOTAL PUBLIC SUPPORT AND REVENUE	<u>1,270,632</u>	<u>54,592</u>	<u>1,325,224</u>	<u>1,594,328</u>
<u>EXPENSES</u>				
Program services:				
Schools	501,701	0	501,701	481,483
Organizations	0	0	0	17,355
Entrepreneurship	108,237	0	108,237	134,269
Churches	329,298	0	329,298	380,698
Partners	213,224	0	213,224	189,529
TOTAL PROGRAM SERVICES	<u>1,152,461</u>	<u>0</u>	<u>1,152,461</u>	<u>1,203,334</u>
Supporting services:				
Fundraising	110,359	0	110,359	157,521
Management and general	143,738	0	143,738	188,741
TOTAL SUPPORTING SERVICES	<u>254,097</u>	<u>0</u>	<u>254,097</u>	<u>346,262</u>
TOTAL EXPENSES	<u>1,406,558</u>	<u>0</u>	<u>1,406,558</u>	<u>1,549,596</u>
CHANGES IN NET ASSETS	(135,926)	54,592	(81,334)	44,732
<u>NET ASSETS</u>				
Beginning of year	1,269,315	12,036	1,281,351	1,236,619
End of year	<u>\$ 1,133,389</u>	<u>\$ 66,628</u>	<u>\$ 1,200,017</u>	<u>\$ 1,281,351</u>

See accompanying notes to financial statements

STATEMENTS OF FUNCTIONAL EXPENSES

HAITI PARTNERS, INC.

Year ended June 30, 2016

	PROGRAM SERVICES				SUPPORTING SERVICES			
	Schools	Entrepreneurship	Churches	Partners	Total Program Services	Fundraising	Management and General	Total
Grants	\$ 117,105	\$ 14,749	\$ 197,947	\$ 269	\$ 330,070	\$ 0	\$ 0	\$ 330,070
Wages and benefits	193,644	62,050	67,279	81,707	404,680	74,355	59,609	538,645
Program costs	44,530	1,728	926	4,269	51,453	211	580	52,243
Contract and consulting	1,250	8,268	5,037	0	14,555	0	0	14,555
Travel	32,165	11,374	18,494	64,103	126,137	14,417	7,976	148,529
Supplies	14,946	1,757	2,715	5,882	25,301	7,492	3,818	36,611
Occupancy costs	14,847	1,442	3,713	3,713	23,716	2,283	8,688	34,687
Promotional and educational materials	14,968	935	719	19,327	35,950	729	1,142	37,821
Communications	12,501	2,787	5,069	4,178	24,534	1,967	2,643	29,145
Professional fees	24,659	1,493	24,179	24,179	74,509	2,025	30,461	106,995
Bank fees	2,182	776	2,034	2,035	7,027	1,257	4,968	13,252
Fundraising expenses	0	0	0	0	0	33,203	0	33,203
Depreciation	27,081	0	0	0	27,081	0	20,187	47,268
Insurance	719	322	347	468	1,856	273	2,440	4,569
Newsletters and mailings	0	0	0	2,270	2,270	4,568	0	6,838
Miscellaneous expenses	1,104	556	839	824	3,322	782	1,226	5,330
	<u>501,701</u>	<u>108,237</u>	<u>329,298</u>	<u>213,224</u>	<u>1,152,461</u>	<u>143,562</u>	<u>143,738</u>	<u>1,439,761</u>
Less special event expenses	0	0	0	0	0	(33,203)	0	(33,203)
TOTAL	\$ 501,701	\$ 108,237	\$ 329,298	\$ 213,224	\$ 1,152,461	\$ 110,359	\$ 143,738	\$ 1,406,558

See accompanying notes to financial statements

STATEMENTS OF FUNCTIONAL EXPENSES

HAITI PARTNERS, INC.

Year ended June 30, 2015

	PROGRAM SERVICES					SUPPORTING SERVICES			
	Schools	Organizations	Entrepreneurship	Churches	Partners	Total Program Services	Fundraising	Management and General	Total
Grants	\$ 134,182	\$ 6,943	\$ 10,539	\$ 212,226	\$ 211	\$ 364,101	\$ 3	\$ 3	\$ 364,107
Wages and benefits	208,198	5,047	89,764	81,315	91,533	475,857	74,592	65,512	615,961
Program costs	23,505	1,023	4,817	38,802	1,036	69,183	4,446	310	73,939
Contract and consulting	5,480	0	0	1,976	3,972	11,428	3,930	2,746	18,104
Travel	40,762	2,178	19,062	15,935	45,352	123,289	13,406	9,366	146,061
Supplies	11,248	244	707	5,636	6,492	24,327	13,593	4,969	42,889
Occupancy costs	5,032	6	278	284	284	5,884	0	22,110	27,994
Promotional and educational materials	3,641	297	783	2,070	9,368	16,159	6,106	4,790	27,055
Communications	13,804	1,331	4,218	8,636	8,261	36,250	2,665	1,954	40,869
Professional fees	13,687	205	1,942	11,575	15,492	42,901	29,055	27,452	99,408
Bank fees	0	0	0	176	0	176	0	9,885	10,061
Fundraising expenses	2,298	0	0	0	3,212	5,510	10,637	134	16,281
Depreciation	16,766	0	0	0	0	16,766	0	19,223	35,989
Insurance	634	0	221	337	383	1,575	216	2,857	4,648
Newsletters and mailings	574	17	0	574	2,515	3,680	8,090	0	11,770
Miscellaneous expenses	1,672	64	1,938	1,156	1,418	6,248	1,419	17,430	25,097
	481,483	17,355	134,269	380,698	189,529	1,203,334	168,158	188,741	1,560,233
Less special event expenses	0	0	0	0	0	0	(10,637)	0	(10,637)
TOTAL	\$ 481,483	\$ 17,355	\$ 134,269	\$ 380,698	\$ 189,529	\$ 1,203,334	\$ 157,521	\$ 188,741	\$ 1,549,596

See accompanying notes to financial statements

STATEMENTS OF CASH FLOWS

HAITI PARTNERS, INC.

Years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from public support and revenue	\$ 1,294,058	\$ 1,447,775
Cash paid to suppliers and employees	(1,360,051)	(1,545,180)
Investment income (loss)	(84)	11
NET CASH USED IN OPERATING ACTIVITIES	<u>(66,077)</u>	<u>(97,394)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Sale of investments	23,496	0
Purchase of property and equipment	(1,001)	(177,843)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>22,495</u>	<u>(177,843)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(43,582)	(275,237)
<u>CASH AND CASH EQUIVALENTS</u>		
Beginning of year	150,809	426,046
End of year	<u>\$ 107,227</u>	<u>\$ 150,809</u>
<u>SUPPLEMENTAL DISCLOSURE</u>		
Schedule of noncash investing activities:		
Donation of stock	<u>\$ 0</u>	<u>\$ 23,496</u>

See accompanying notes to financial statements

STATEMENTS OF CASH FLOWS (CONTINUED)

HAITI PARTNERS, INC.

Years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>RECONCILIATION OF CHANGES IN NET ASSETS</u>		
<u>TO NET CASH USED IN</u>		
<u>OPERATING ACTIVITIES</u>		
Changes in net assets	\$ (81,334)	\$ 44,732
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	47,268	35,989
Contributed stock	0	(23,496)
Decrease in assets:		
Grants and contributions receivable	0	52,275
Prepaid expenses	0	7,719
Decrease in liabilities:		
Accounts payable and accrued liabilities	(761)	(15,796)
Deferred grant revenue	(31,250)	(198,817)
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (66,077)</u>	<u>\$ (97,394)</u>

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

HAITI PARTNERS, INC.

June 30, 2016 and 2015

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 through education.

Vision – We believe Haiti can and will inspire the world, as we join together in God’s story of justice.

Values –

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

Collaboration – Collaborate for more effective, productive and joyful partnerships.

Accountability – Be responsible to everyone connected with this work.

Faith – Follow Jesus in pursuit of justice and compassion.

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

The Organization expresses its vision, mission and values through 5 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.

Organizations – Develop groups, communities, and institutions that thrive by using democratic decision-making practices to address immediate challenges.

Entrepreneurship - Create successful social businesses and cultivate entrepreneurship and business skills.

Partners - Building relationships and understanding among Haitians and Americans to promote mutual growth, deeper faith, and work for the common good.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

HAITI PARTNERS, INC.

June 30, 2016 and 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation:

The Organization reports 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. The classification depends on the restrictions placed on it by the donor. If the Organization receives donations with restrictions and expends the donation in the same fiscal year, these donations are recorded as unrestricted.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

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 \$1,000 or more. Property and equipment are stated at cost or, if donated, at the approximate fair value as of the date of donation. 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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

HAITI PARTNERS, INC.

June 30, 2016 and 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 restricted support 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, temporarily restricted net assets are reclassified to unrestricted net assets 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 unrestricted support.

The Organization reports gifts of goods and equipment as unrestricted 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. Contracts receivable at year end represents costs incurred or services performed, which have not yet been reimbursed by the granting agency.

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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

HAITI PARTNERS, INC.

June 30, 2016 and 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 September 28, 2016, 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 one financial institution in Vero Beach, Florida. These balances are insured by the Federal Deposit Insurance Corporation subject to various limits and conditions and during the year balances may fluctuate above and below the limits. Uninsured balances at June 30, 2016 and 2015 were \$2,905 and \$8,834, respectively.

The Organization received grants and contributions from one entity totaling approximately \$300,000 in 2016 and two entities totaling \$453,000 in 2015, which comprises approximately 26% and 33% of net revenue, respectively. As of June 30, 2016 and 2015, the Organization had no accounts receivable from these entities.

NOTE C - INVESTMENTS

Long-term investments, carried at fair value based on quoted prices in active markets, consist of the following as of June 30:

	<u>2016</u>		<u>2015</u>	
	<u>FAIR VALUE</u>	<u>COST</u>	<u>FAIR VALUE</u>	<u>COST</u>
Stock	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,496</u>	<u>\$ 25,403</u>

The net investment income includes net earnings and net realized and unrealized gains and losses, and is as follows:

	<u>2016</u>	<u>2015</u>
Investment income (loss):		
Investment earnings (losses)	<u>\$ (84)</u>	<u>\$ 11</u>
TOTAL INVESTMENT INCOME (LOSS)	<u>\$ (84)</u>	<u>\$ 11</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

HAITI PARTNERS, INC.

June 30, 2016 and 2015

NOTE D - PROPERTY AND EQUIPMENT

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

	<u>2016</u>	<u>2015</u>
Land	\$ 81,703	\$ 81,703
Building and improvements	1,012,273	1,012,272
Furniture and equipment	11,536	11,536
Vehicles	74,000	74,000
Computers and equipment	29,135	29,135
Construction in progress	38,135	37,135
	<u>1,246,782</u>	<u>1,245,781</u>
Less accumulated depreciation	128,189	80,921
NET PROPERTY AND EQUIPMENT	<u>\$ 1,118,593</u>	<u>\$ 1,164,860</u>

Depreciation expense for the years ended June 30, 2016 and 2015 amounted to \$47,268 and \$35,989, respectively.

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. This project is scheduled to be constructed in phases over a period of sixteen years and is expected to cost a total of \$2,735,000 at completion. 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 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>2016</u>	<u>2015</u>
Architect services	\$ 0	\$ 37,135
Legal services	82,643	0
Rent	20,009	20,009
Website and Logo Design	0	18,000
	<u>\$ 102,652</u>	<u>\$ 75,144</u>

Contributed rent, legal services and website and logo design have been expensed in the statements of activities. Contributed architect services were used in the planning of the Children's Academy construction project, and were capitalized as part of the property and equipment in the statements of financial position.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

HAITI PARTNERS, INC.

June 30, 2016 and 2015

NOTE F - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of June 30:

	<u>2016</u>	<u>2015</u>
Daniel Fignole School	\$ 0	\$ 2,160
Micah Scholars Program	50,000	0
Partners Program	8,628	0
School Program	8,000	4,876
Schools Program Research Project	0	5,000
	<u>\$ 66,628</u>	<u>\$ 12,036</u>

Net assets were 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>2016</u>	<u>2015</u>
Children's Academy	\$ 67,652	\$ 47,353
Daniel Fignole School	2,160	0
Micah Scholars Program	249,928	273,600
Leaders/Circles of Change	0	25,710
Partners Program	51,577	28,244
Entrepreneurship Program	85,811	62,750
Schools Program Research Project	5,000	0
Schools Program	296,299	495,725
	<u>\$ 758,427</u>	<u>\$ 933,382</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, 2016 and 2015 were \$67,660 and \$45,982, respectively.

NOTE H - FAIR VALUE MEASUREMENTS

FASB ASC 820, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides 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 (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

HAITI PARTNERS, INC.

June 30, 2016 and 2015

NOTE H - FAIR VALUE MEASUREMENTS (CONTINUED)

- Level 2 - Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

- Cash and cash equivalents, certificate of deposits, current portion of pledge receivable, grants receivable, accounts payable. The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.
- Long-term unconditional promises to give. The fair value promises to give that are due in more than one year is estimated by discounting expected future cash flows using a .5% rate of return.

The following table presents the Organization's assets measured at fair value on a recurring basis at June 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stock	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The following table presents the Organization's assets measured at fair value on a recurring basis at June 30, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stock	<u>\$ 23,496</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,496</u>

The Organization's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, due to the level of risks associated with these instruments, it is reasonably possible that changes in the values of these instruments will occur in the near term, and such changes could materially affect the amounts reported in the statements of activities.