



Annual Report  
2017 - 2018

**Digicel** Foundation



**The main hope of a nation lies  
in the proper education of it's youth.**

Desiderius Erasmus

# Table of Contents

- 02** CEO Message
- 03** Board of Directors and Staff
- 04** School Construction Program
- 08** Professional Development Program
- 12** Grants Program
- 16** Employee Engagement Program
- 20** Map of our Schools
- 22** Financial Statements

# CEO Message



day of career guidance for students from Collège Classique d'Haïti – the 50th school built by the Foundation; and a holiday gift drive that delighted nearly 3,000 children. However, the main activity to celebrate our 10th anniversary was the “Konbit Pou Chanjman” campaign, which saw 11 non-profit organizations from across the country’s 10 departments receive a grant to implement their sustainable community projects.

To commemorate our 10 years of success in social development, the Digicel Foundation also published a book in March 2018 highlighting the decade’s many achievements, while at the same time paying tribute to our donors, partners, and Foundation staff who have made this beautiful adventure possible. Therefore, as an exception, this year the Digicel Foundation decided to modify the format of this Report. This lighter version of the Annual Report lays out our achievements in our various areas of involvement, and at the same time highlights the real difference we continue to make in the lives of tens of thousands of men and women in Haiti. The Annual Report also includes our financial statements, which have been audited by the accounting firm Cabinet d’Experts-Comptables Mérové-Pierre to ensure the greatest transparency.

I’d like to take this opportunity to extend my warmest gratitude to Digicel President Denis O’Brien for his unwavering confidence; my gratitude also goes to Maria Mulcahy, President of Digicel Foundations and to our Non-Executive President in Haiti, Josefa Gauthier, for their guidance and commitment. I would like to extend special thanks to our partners, especially our donors, the W. K. Kellogg Foundation and Cités Unies France, who helped us financially during the course of this year. I would like to sincerely thank the members of the Board of Directors for their support and the Foundation staff for their outstanding work in building a better future for Haiti.

**Sophia Stransky**

**A**

After a year filled with excitement and events, we are already at the end of the first year into our second decade. A period which was been especially marked by the commemorative activities of the 10 years since our creation, a celebration that extended over a twelve-month period.

The special celebrations were organized around our four pillars and included events such as the opening of our 175th school, Ecole Nationale Congréganiste Notre Dame du Perpétuel Secours in Bel-Air; a day with the Special Olympics Haiti athletes at the Centre Sportif pour l’Espoir; a Q&A session with Denis O’Brien for HELP scholars on topics such as how to succeed professionally; a

# Board of Directors and Staff



**From left to right:**

**First row:** Nicholas Menos, Alcio Febe, Jean Philippe Brun

**Second row:** Mae-Lynn Edouard, Belinda Ulysse, Josefa R. Gauthier, Judith Jean Jeune, Maude Louis Jean

**Absent:** Maarten Boute



**From left to right:**

**First row:** Celder Desir, Lafalaise Audate, Fritz-Gérald Joseph, Sophia Stransky, Josefa R. Gauthier, Cherby Fortuné, Charles Leslie Metellus

**Second row:** Rachel Pierre Champagne, Nanianye Jostie Philippe, Winda Sylvain, Esther Policard Clo-taire, Su-yen Simon Bertrand



Ecole Nationale PJ Mara de Jolivert à Bassin Bleu

# Our School Construction Program

**E**ducation is the primary area in which the Digicel Foundation has invested in since launching its activities in Haiti. Since 2007, with the opening of the Ecole Mixte Lagé-ho in Thomazeau, our school construction program has been doing much more than erecting school buildings where children come only to receive instruction. We want to offer spaces that are useful to the communities, which can serve as leisure, gathering and development centers for the beneficiary towns. In this sense, we were delighted that the schools we had built in the South and Grande Anse departments could be used as temporary shelters when Hurricane Matthew swept through the country in October 2016.

Since some of our schools were damaged by this category five hurricane, we decided to focus on renovating these schools to enhance their safety, while at the same time giving them a well-deserved freshness. Thus, 17 schools were completely reno-

vated and repair work was started in 5 others, out of a total of 22 requiring repairs.

In parallel, the building of new schools continued. This year we opened 4 new school buildings, which brought the total to 175 projects, and allowed us to fulfill our promise to build another 25, made during the opening ceremony of our 150th school in Saut d'Eau in 2014. The 4 school projects completed this fiscal year were all fantastic, but there are 2 of them that deserve special mention because they are dedicated to great men and women who, in their lifetime, have embodied values that are dear to the Digicel Foundation.

On January 22, 2018, we opened our 174<sup>th</sup> school, Ecole Nationale PJ Mara de Jolivert. Located in the community of Bassin Bleu in the North-West department, the school boasts 11 classrooms, an administrative block, a computer lab, a library, a playground, a kitchen, storage and sanitation fa-



cilities. It is dedicated to the memory of Mr. Patrick James Mara, a member of Digicel Group's Board who passed away in 2016 and paid particular attention to the North-West department, and who felt that more needed to be done to improve the living conditions of its residents.

The 175th school, Ecole Nationale Congréganiste Notre Dame du Perpétuel Secours, was opened on March 20th and dedicated to Kevin Kearney, a Concern Worldwide US board member who died in 2015. Located in Bel-Air, in the West department, this school was completely destroyed in the 2010 earthquake and was operating out of hangars. With 12 fully-furnished classrooms, the school that serves



nearly 600 girls grades 1-9 is like an oasis in this historic neighborhood, which has had many problems over the years. The new construction is also dedicated to 15 nuns who perished in the devastating earthquake.

Today, 11 years later, the Foundation is very proud of the results achieved through its school construction program – 175 schools built that welcome +60,000 children throughout the country – and is pleased to announce the opening of Ecole Nationale Congréganiste Saint Gérard, its 176<sup>th</sup> school located in Baint, in the South-East department, led by the Congregation of the Missionary Sisters of Christ the King.





Ecole Communautaire Mixte Cholette in Mirbalais



Ecole Congréganiste Nationale Notre Dame du Perpétuel Secours in Bel Air





**Ecole Notre Dame du Perpétuel Secours in Durissy**



**Ecole Nationale PJ Mara de Jolivert in Bassin Bleu**



# Our Professional Development Program

**L**ast year was also highlighted by our teacher and school administrator training program developed by the Digicel Foundation. After its creation in 2008 with the main goal of strengthening our teachers and school administrators' abilities and skills, this program is still unique in that it combines intensive specialized training with on-going support for teachers in the classroom throughout the year.

Summer holidays are the highlight of our program. Since school is out, we are able to work more closely with teachers and school principals. This year, between July 16 and August 19, three intensive training sessions were held in Mazenod, Camp-Perrin, for about 40 of our schools:

- 173 teachers in Group VI started Phase I of the program with a 20-day training course aimed at strengthening knowledge and mastery of fundamental skills in areas such as reading, writing, math, and technical skills to support instruction;

- The best-performing teachers in Group IV were also invited to return to Mazenod to participate in Phase II, which includes two weeks of additional training in social sciences, experimental sciences and civic education. To be eligible, the 120 teachers who attended this session were required to complete at least 300 hours of Phase I training and obtain an average passing grade of 75% or more;

- 47 school principals from various cohorts also benefited from approximately 70 hours of additional training to improve their skills in school governance, instructional supervision, and community relations.

After the summer sessions were over, the teachers that attended Phase I received on-the-job training, including group refresher sessions and one-to-one coaching in the classroom.

This year, the trainers responsible for the courses for teachers and school principals also had the opportunity to increase their knowledge and develop their skillset. Training sessions were held for them

in September 2017 by the team of the Institut Supérieur de Formation (InnovED) on how to ensure a dynamic and actively engaged classroom.

In addition, the team of trainers, in collaboration with some partners, started to develop a training manual. The document is expected to be completed in October 2018 and will facilitate knowledge-sharing while ensuring the sustainability of key elements of the professional development program, which since its inception has made a significant contribution to improving the quality of education offered in schools built by the Foundation. Remember that this training program, since its launch, has already reached close to 2,000 teachers and school principals.

In March 2018, it was with great pleasure that the Digicel Foundation awarded prizes to the 20 best teachers and three best schools that completed our training program. Certificates of excellence were awarded to them as well as a financial allocation.



The 20 best teachers receiving certificates







Konbit Pou Chanjman awards ceremony

## Our Grants Program

**S**ince its inception in 2007, the Digicel Foundation, through its grants program, has touched over a million people in Haiti, financing various projects aimed at contributing to the socio-economic development of the nation.

Thus, to celebrate the 10 years of success we have had in sustainable development through these projects, a new campaign was launched in March 2017 to complement the grants program. This initiative, entitled “Konbit pou Chanjman” (Come together for change), had as its main goal to finance 10 community projects with US\$10,000 each across the country’s 10 departments. Non-profit organizations were invited to apply for grants in the following areas: education, culture, inclusion, livelihoods, access, and natural disaster prevention.

The “Konbit pou Chanjman” campaign was a real success. The enthusiasm was exceptional among organizations working in community development. Over 300 applications were received and, after review by the evaluation committee, 63 projects were pre-selected to advance to the second phase. The pre-selected organizations received field visits to further examine the proposed projects in order to select the 21 applicants who would advance to the final phase, which kicked-off in January 2018.

Between February 27 and March 2, the finalist organizations visited the Digicel Foundation to present their projects and answer the various questions posed by members of the jury. During this week, they also had the opportunity to tour Digicel Foundation projects and attend training sessions

on topics relating to communication, leadership, management and governance of non-profit organizations. On March 21st, the award ceremony was held and, to everyone's surprise, there were not just 10 winners but rather 11: the Foundation wanted to make an extra donation to celebrate its eleventh anniversary. In total, the winning organizations received combined funding of US\$110,000.

Following the success of this campaign, which was to be a unique initiative created on the occasion of the Foundation's 10th anniversary celebration, it was decided by the Board of Directors to launch

a second edition for the next fiscal year and to increase the number of winning projects to 15.

In addition to holding the Konbit Pou Chanjman campaign, the Digicel Foundation continued its usual project funding through its grants program. During the 2017-2018 fiscal year, the Digicel Foundation awarded a dozen grants impacting thousands of beneficiaries in various sectors, such as education, sports, social integration, human rights, support for people with special needs, etc.

## Konbit pou Chanjman: 11 Winning Organizations

- Ministère d'une Nouvelle Espérance pour le Développement Intégral en Haïti (Minedi - Haïti) Artibonite department
- Laguamithe, North-East department
- Coopération des Jeunes Haïtiens pour le Développement Socioéconomique (CJDHS), Center department
- Asosyasyon Peyizan Jasmin (APJ), North-West department
- Organisation pour le Réhaussement de la Commune des Roseaux(ORCRO), Grande Anse department
- Initiative des Fermiers Organisés pour le Développement Durable (IFOSUD), West department
- Paillant en Voie de Développement (PAVODEV), Nippes department
- Haiti Adolescent Girls Network - HAGN, West department
- Centre de Formation pour l'Entraide et le Développement Communautaire(CFEDEC), North department
- Association des Jeunes Penseurs pour l'Evolution (AJPE), South department
- Congrégation des Petits Frères de Ste-Thérèse/Fraternité
- Echo Des Jeunes Tuff pour l'avancement de la Vallée de Jacmel (EJTA), South-East department





Special Olympics Haiti



Fondation l'Athlétique d'Haïti





Haitian Education and Leadership Program



Nos Petits Frères et Soeurs



# Our Employee Engagement Program

**S**ince its inception, the goal of our engagement program has been to enable Digicel employees to support the work of the Digicel Foundation and to get involved socially.

As usual, we organized various activities throughout the year and were accompanied by many volunteers who made a significant contribution to the success of our initiatives. This year, the unique feature of our employee engagement program was the diversity of activities that took place. We still remember the meeting of our Founder, Mr. Denis O'Brien, with about 50 scholarship beneficiaries from the HELP organization, which is supported financially by the Foundation, and the conference with +100 students from a dozen schools around the capital for World AIDS Day, in partnership with Caris Foundation International.

We also had one of our most memorable Christmas campaigns. Our employees were able to choose for themselves the gifts they wanted to give to the stu-

dents attending our schools, accompanying them with greeting cards, through a holiday gift drive called "Ba Yo Kado" with special guest Atyis Panch. Nearly 3,000 students from different regions of the country's 10 departments celebrated the Christmas holiday thanks to the generosity of the Digicel employees who, as always, surrounded them with great enthusiasm and love. To date, over 15,000 toys have been distributed in more than 60 of the schools built by the Foundation.

At the Digicel Foundation, we were, once again, inspired by the commitment and involvement displayed by Digicel employees, who joined the Foundation to contribute to community strengthening and development during the past year. They have been one of our main sources of motivation. We warmly thank all the employees who have given us their support. Know that your dedication is highly appreciated by the beneficiary communities.



Engagement activity organized for World AIDS Day



Activity organized for HELP students





Unified sports day with Special Olympics Haiti



Closing of the unified sports day at Centre Sportif pour l'Espoir in Cité Soleil

# Our 175 Ecoles

## Artibonite

Ecole Bon Berge de Canal Bois  
 Ecole Communautaire de Bigue  
 Ecole Communautaire de Bigue (Expansion)  
 Ecole de l'Association des Anciennes Elèves de Mère Sainte Alviré  
 Ecole Marie Cité Morisset de Sanoix  
 Ecole Mixte La Providence  
 Ecole Mixte Presbytérale Sacré Cœur  
 Ecole Nationale de Goyavier  
 Ecole Nationale Mère Sainte Alviré  
 Ecole Nationale St Michel de l'Attalaye  
 Ecole Saint Pierre Claver  
 Ecole St Joseph Emaus  
 Institution Mixte Jean-Francois Biassou

Ecole Nationale de Colombier  
 Ecole Nationale de Monte Grande  
 Ecole Nationale de Thomassique  
 Ecole Nationale Grande Savane  
 Ecole Nationale Rivière Cannot Madame Jacques  
 Ecole Notre Dame Perpétuel Secours de Lascahobas  
 Ecole Presbytérale St Benoit La Boule  
 Ecole Roche La Pierre de Lascahobas  
 Ecole Saint Jean Baptiste de Epin  
 Ecole Saint Marc de Cabestor  
 Ecole Saint Michel de Morne Mouton  
 Ecole Sainte Claire de Saut d'eau  
 Ecole St Francois de Corpporant  
 Ecole St Paul de Morne Thomonde  
 Ecole Ste Croix de Hicaque  
 Foyer Divin de Lacheteau  
 Institution Chrétienne de la Restauration

## Center

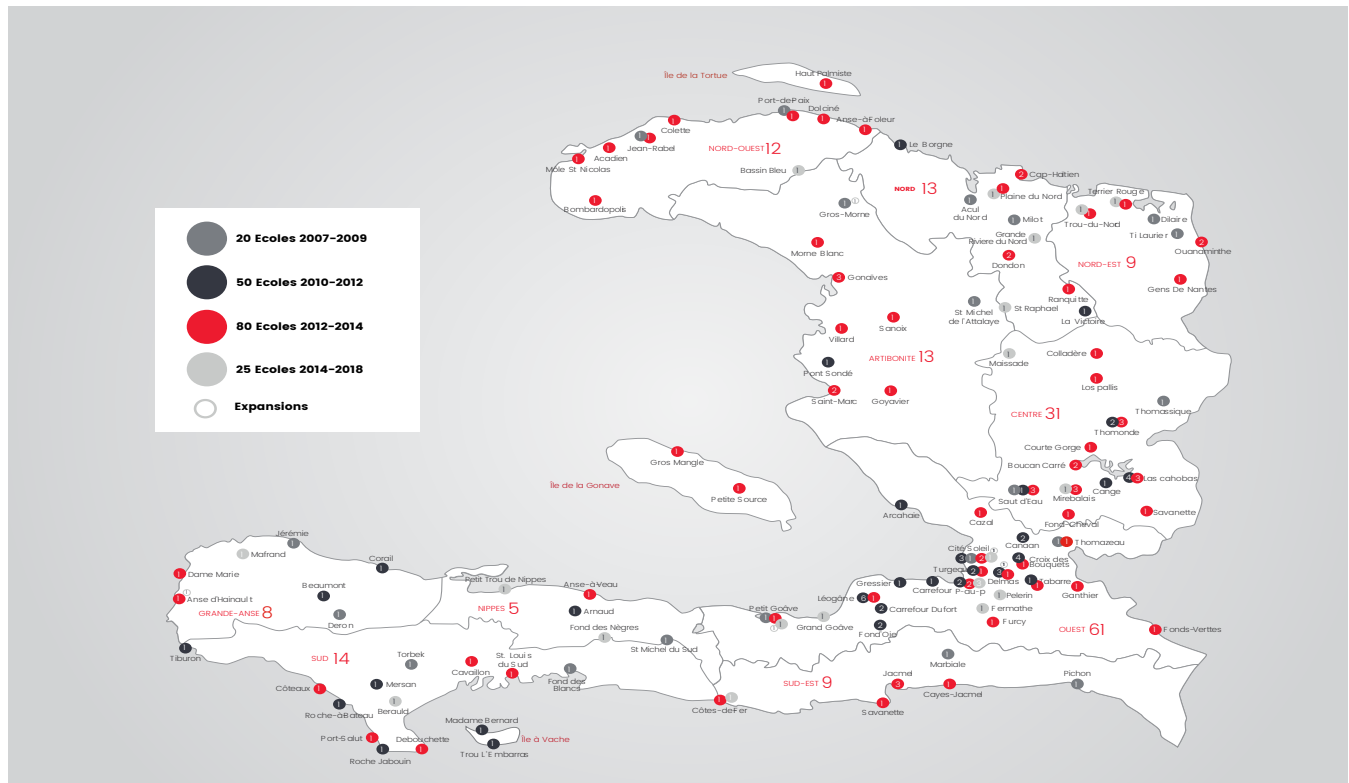
Centre Familiale d'Etude et d'Apprentissage - Campus Julie Siskind  
 Ecole Annonciation de Bernaco  
 Ecole Bon Berger de Gros Moulin  
 Ecole Bon Samaritain de Sarazin  
 Ecole Bon Samaritain de Loncy  
 Ecole Bon Samaritain de Thomonde  
 Ecole Communautaire Mixte Cholette  
 Ecole Communautaire Mixte St Esprit de Colladère  
 Ecole Congréganiste Nationale Marie Auxiliatrice de Thomonde  
 Ecole Foyer des Enfants de Desbayes  
 Ecole La Pléiade de Cange  
 Ecole Main Divine de Sylguerre  
 Ecole Mixte Eben-Ezer de Fond Cheval  
 Ecole Nationale Charlemagne Péralte

## Grande Anse

Centre Communautaire Perpétuel Secours  
 Collège Immaculée Conception  
 Collège St Raymond  
 Collège St. Raymond (Expansion)  
 Ecole la Voie des Anges  
 Ecole Nationale André  
 Ecole Nationale Lesson  
 Ecole Nationale Nouvelle de Marfrand

## Nippes

Ecole Communautaire de Didier  
 Ecole Nationale Carrefour Lundi  
 Ecole Nationale de Grande Rivière Jolie



Ecole Nationale St Michel du Sud  
Lycée Nationale St Catherine

## North

Collège Baptiste Salem de Dondon  
Collège Marie Auxiliatrice des Sœurs Salésiennes de Don Bosco  
Ecole Communautaire de Mayaya  
Ecole Frères St Joseph  
Ecole Nationale Bas Pinal  
Ecole Nationale Carrefour des Pères  
Ecole Nationale de Grand Boucan  
Ecole Nationale de Yayou  
Ecole Nationale Laporte  
Ecole Nationale Mixte de la Bruyère  
Ecole Nationale Mixte du Borgne  
Ecole Notre Dame de Lourdes  
Institution La Référence

## North-East

Ecole Nationale de Martin  
Ecole Nationale de Moussignac  
Ecole Nationale de Savane-Carré  
Ecole Nationale Mixte de Juchereau  
Ecole Nationale Mixte Ti Laurier  
Ecole Saint Francois Xavier  
Fondation Retour à la Joie  
Institution la Salésienne de Ouanaminthe  
Lycée National Romulus Pierre de Grand Bassin

## North-West

Ecole Boisrond Tonnerre de Bravar  
Ecole Communautaire Fondation de Grann Lison Acadien  
Ecole Doux Jésus de Colette  
Ecole Nationale de Catron  
Ecole Nationale de Dolcine  
Ecole Nationale de Golas  
Ecole Nationale PJ Mara de Jolivert  
Ecole Nationale de Passe Catabois  
Ecole Presbytérale Alexandre Pétion  
Ecole Presbytérale Jean Marie Vianney  
Institution Mixte Brière Hyacinthe  
Lycée de la Nativité

## West

Bon Samaritain Institution  
Centre Pédagogique Nouvelle Vision  
Collège Antoine Frère Adrien  
Collège Mixte Georges Derex  
Ecole Anglicane de Melier  
Ecole Atelier de Corail - IDEJEN  
Ecole Communautaire ANC de Grande Savane  
Ecole Communautaire de Fond d'Oie  
Ecole Communautaire de Germain  
Ecole Communautaire de la Fraternité de Gros Mangle  
Ecole des Frères Louis Borno  
Ecole Evangélique Chrétienne de Gressier  
Ecole Fraternité de Petite Source  
Ecole Mixte Lagého  
Ecole Mixte Ministère de Jésus Christ  
Ecole Mixte Source d'Espoir  
Ecole Nationale de Bas Mandier  
Ecole Notre Dame du Perpétuel Secours à Durissy  
Ecole Notre Dame du Perpétuel Secours à Durissy (Expansion)  
Ecole Notre Dame du Perpétuel Secours au Belair  
Ecole Notre Dame Marie

Ecole Presbytérale Sainte Anne  
Ecole Wesner Ovide  
Institution de Formation Educative de Bois-Tombe  
Institution Mixte Henry Christophe  
Institution Mixte les Frères d'Abraham  
Institution Toussaint Louverture  
Internat Sainte Madeleine  
Les Petits Diamants Rouges de Montessori  
Annexe Petit Agneau  
Centre Rosalie Javouhey  
Collège Immaculée Conception  
Collège Andrew Grene  
Collège Andrew Grene (Expansion)  
Collège Classique d'Haïti  
Collège Sainte Croix  
Ecole Anne-Marie Javouhey  
Ecole Charles H. Mason  
Ecole Communale de Portail Léogane  
Ecole Communautaire Saint Jeanne de Chantal  
Ecole Immaculée Conception  
Ecole Le Joly Garden  
Ecole Les Lauriers de Saint Martin  
Ecole Mère Louise  
Ecole Mixte Adrien Massa  
Ecole Mixte Rescue One Child  
Ecole Petit Agneau  
Ecole Préscolaire Saint Joseph  
Ecole Primaire Boisrond Tonnerre  
Ecole Primaire Mixte Emmanuel  
Ecole Primaire Mixte Emmanuel (Expansion)  
Ecole Saint Patrick  
Ecole Union des Apôtres  
Foyer Culturel St Vincent de Paul  
Institution Chrétienne de la Restauration  
Institution Jean-Marie Guilloux  
Institution Mixte de la Grâce  
Institution Mixte Foyer des Archanges  
Institution Mixte les Papillons Légers  
Institution Scolaire Muspan  
Petit Séminaire Collège Saint Martial

## South

Centre De Recherche et de Formation Weedy Alexis  
Centre d'Etudes de Gamaliel  
Centre Unifié de Mersan  
Ecole Bienheureux Joseph Gérard de Roche-Jabouin  
Ecole Bon Samaritain  
Ecole Communautaire de Nathan  
Ecole Fondation l'Athlétique d'Haïti  
Ecole Nationale Congréganiste de Port Salut  
Ecole Nationale de Debouchette  
Ecole Nationale de Fond des Blancs  
Ecole Nationale Mixte de Tiburon  
Ecole Nouvelle Vision de Cavaillon  
Ecole St François d'Assise de Béraud  
Ecole St François d'Assise Ile à Vache

## South-East

Collège Education Moderne de Marbiale  
Ecole Frères Clément  
Ecole Marie Reine Immaculée  
Ecole Modern School et Kindergarden  
Ecole Nationale Charles Moravia  
Ecole Nationale Congréganiste St Joseph  
Ecole Nationale Mare Ramier  
Ecole Pa Nou  
Ecole Sainte Thérèse



+509 2813-0334 | 0335 | 0336 | 0343  
administration@merove-pierre.com  
www.merove-pierre.com

**DIGICEL HAITI FOUNDATION**

**Financial Statements**

**March 31, 2018**

**(With Independent Auditors' Report Thereon)**



## **Independent Auditors' Report**

The Board of Directors  
Digicel Haiti Foundation:

### ***Opinion***

We have audited the financial statements of Digicel Haiti Foundation (the Foundation), which comprise the balance sheet as at March 31, 2018, and the statements of income and expenses, changes in fund balance and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2018, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Haiti, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Responsibilities of Management and those charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, Management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.



Board of Directors  
Digicel Haiti Foundation:  
Page 3

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MÉROVÉ-PIERRE - CABINET D'EXPERTS-COMPTABLES

*Mérové - Pierre - Cabinet d'Experts - Comptables*

7, Rue Lechaud - Bourdon  
Port-au-Prince, Haïti  
May 11, 2018

**Digicel Haiti Foundation**  
**Balance Sheets**  
**March 31, 2018 and 2017**  
**(Expressed in US dollars)**

	Notes	2018	2017
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	\$ 197,635	180,852
Accounts receivable, net	6	264,302	13,235
Advances to contractors for projects	7	29,822	53,362
Advances to suppliers		14,137	43,552
Construction materials		<u>103,396</u>	<u>91,345</u>
		609,292	382,346
<b>FIXED ASSETS, NET</b>			
	8	18,937	33,173
		\$ 628,229	415,519
<b>LIABILITIES AND NET ASSETS</b>			
Accounts payable	9	331,943	60,526
Deferred income	10	<u>81,393</u>	<u>-</u>
		413,336	60,526
<b>NET ASSETS</b>			
Fund balance		1,033,112	1,197,217
Translation adjustment		<u>(818,219)</u>	<u>(842,224)</u>
		214,893	354,993
		\$ 628,229	415,519

**See accompanying notes to financial statements**

**Digicel Haiti Foundation**  
**Statements of Income and Expenses**  
**Years ended March 31, 2018 and 2017**  
**(Expressed in US dollars)**

	Notes	2018	2017
<b>INCOME</b>			
<b>CASH CONTRIBUTIONS:</b>			
Unigestion Holding S.A. (Digicel Haiti)		\$ 3,707,736	3,651,334
Others	10	<u>224,755</u>	<u>761,591</u>
		<u>3,932,491</u>	<u>4,412,925</u>
<b>OTHER INCOME:</b>			
Foreign exchange (loss) gain		<u>(64,012)</u>	<u>60,998</u>
<b>TOTAL INCOME</b>		<b>3,868,479</b>	<b>4,473,923</b>
<b>EXPENSES</b>			
<b>FUNDING OF PROJECTS</b>	<b>11</b>	<b><u>3,404,514</u></b>	<b><u>4,749,913</u></b>
<b>ADMINISTRATIVE EXPENSES:</b>			
Salaries and employees benefits	12	333,593	302,596
10th anniversary celebration	13	138,933	-
Travel		33,394	34,903
Fuel allowance		31,640	31,312
Depreciation	8	16,682	15,431
Repairs and maintenance of vehicles		13,136	57,499
Marketing		11,220	38,440
Professional fees		10,091	20,428
Others		<u>39,381</u>	<u>45,290</u>
		<u>628,070</u>	<u>545,899</u>
<b>TOTAL EXPENSES</b>		<b>4,032,584</b>	<b>5,295,812</b>
<b>Deficit of income over expenses</b>		<b>\$ (164,105)</b>	<b>(821,889)</b>

See accompanying notes to financial statements

**Digicel Haiti Foundation**  
**Statements of Changes in Fund Balance**  
**Years ended March 31, 2018 and 2017**  
**(Expressed in US dollars)**

	Fund balance	Translation adjustment	Total
<b>Balance as of March 31, 2016</b>	<b>\$ 2,019,106</b>	<b>(702,659)</b>	<b>1,316,447</b>
Deficit of income over expenses	(821,889)	-	(821,889)
Translation adjustment	-	(139,565)	(139,565)
<b>Balance as of March 31, 2017</b>	<b>\$ 1,197,217</b>	<b>(842,224)</b>	<b>354,993</b>
Deficit of income over expenses	(164,105)	-	(164,105)
Translation adjustment	-	24,005	24,005
<b>Balance as of March 31, 2018</b>	<b>\$ 1,033,112</b>	<b>(818,219)</b>	<b>214,893</b>

See accompanying notes to financial statements

**Digicel Haiti Foundation**  
**Statements of Cash Flows**  
**Years ended March 31, 2018 and 2017**  
**(Expressed in US dollars)**

	Notes	2018	2017
<b>OPERATING ACTIVITIES</b>			
Deficit of income over expenses		\$ (164,105)	(821,889)
<i>Adjustments to determine net cash flows provided by operating activities:</i>			
Depreciation	8	16,682	15,431
Translation adjustment		24,005	(139,565)
<i>Net changes in current assets and current liabilities:</i>			
Decrease in advances to contractors for projects		23,540	354,950
Decrease (increase) in advances to suppliers		29,415	(27,161)
(Increase) decrease in construction materials		(12,051)	74,524
(Increase) decrease in accounts receivable, net		(251,067)	570,932
Increase (decrease) in accounts payable		271,417	(154,089)
Increase in deferred income		<u>81,393</u>	<u>-</u>
<b>Net cash flows provided by (used in) operating activities</b>		<b>19,229</b>	<b>(126,867)</b>
<b>INVESTING ACTIVITIES</b>			
Translation adjustment - fixed assets	8	<u>(2,446)</u>	<u>5,875</u>
<b>Net cash flows (used in) provided by investing activities</b>		<b>(2,446)</b>	<b>5,875</b>
Net increase (decrease) in cash and cash equivalents		16,783	(120,992)
Cash and cash equivalents at beginning of year		191,250	275,375
Effect of foreign exchange on cash and cash equivalents at beginning of year		<u>(10,398)</u>	<u>26,469</u>
<b>Cash and cash equivalents at end of year</b>	5	<b>\$ 197,635</b>	<b>180,852</b>

See accompanying notes to financial statements

**Digicel Haiti Foundation**  
**Notes to Financial Statements**

1) **ORGANIZATION**

"Fondation Digicel Haiti" (Digicel Haiti Foundation: the Foundation) is a private, non-profit organization founded by Mr. Denis O'Brien. The official authorization and by-laws of the Foundation were registered at the Mayor's office in Pétionville on February 27, 2007 and published in Le Moniteur on April 3, 2008. The objectives of the Foundation are to promote community programs in Haiti that embrace and reflect the educational, social and cultural aspirations of the community. The majority of projects funded address community needs, encourages volunteerism and civic engagement, promote leadership with integrity, promote opportunities for marginalized groups, and include tangible products such as school buildings.

Although the Foundation has a vast range of objectives, it has a special focus on two areas: education and sustainability. The focus on education arises from a fundamental need across the country to increase access to quality education. Sustainability of each project funded is the utmost importance to the Foundation prior to taking on new projects as they seek to assist communities towards self-sufficiency as opposed to dependence on continued assistance.

To achieve these objectives, the Foundation, through direct cash and non-cash contributions, works alongside and through structured community organizations to ensure the smooth implementation of projects. The Foundation works with Governmental and non-Governmental Organizations throughout Haiti. The funds disbursed by the Foundation are grants that the receiving organizations will not be required to repay; however, the beneficiaries are required to keep and present accurate records on how all funds are utilized.

The operations of the Foundation are funded primarily by contributions from Unigestion Holding S.A. (Digicel Haiti), a related party.

The registered office of the Foundation is located at Unigestion Holding S.A. (Digicel Haiti) in Turgeau, Haiti.

2) **BASIS FOR FINANCIAL STATEMENTS PREPARATION**

(a) **Accounting framework**

The financial statements are prepared in conformity with International Financial Reporting Standards (IFRS).

These financial statements were approved by the CEO on June 14, 2018.



**Digicel Haiti Foundation**  
**Notes to financial statements**

2) **BASIS FOR FINANCIAL STATEMENTS PREPARATION (CONTINUED)**

(b) **Basis of measurement**

These financial statements are presented on a historical cost basis, using the accrual basis of accounting.

The fair value of the financial assets and liabilities is practically equal to their cost.

(c) **Currency presentation**

The functional currency of the Foundation is the Haitian Gourde but at the request of Management, the financial statements are presented in US Dollars.

(d) **Use of estimates and judgment**

In preparing these financial statements, Management must make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and the presentation of contingent assets and liabilities, and the income and expenses of the year. Estimates and underlying assumptions are reviewed continuously. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected. Although these estimates are based on Management's best knowledge of current events and actions, actual results may differ from those estimates.

The most significant financial statements accounts affected by estimates and assumptions are:

<b>Note 6</b>	Accounts receivable – impairment provision
	Construction materials – valuation and obsolescence
<b>Note 8</b>	Fixed assets – depreciation.

According to Management, the financial statements were prepared on an adequate basis using fair judgment in all material respects and in accordance with the accounting policies summarized below.

Continued)

**Digicel Haiti Foundation**  
**Notes to financial statements**

**3) SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**(a) Conversion of foreign currencies**

Transactions denominated in currencies other than the functional currency (Gourde) are recorded in the functional currency at the actual exchange rates existing at the dates of the transactions.

Monetary assets and liabilities denominated in currencies other than the functional currency are reported at the exchange rates prevailing at year-end. Any unrealized gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as foreign exchange gain or loss in the statement of income and expenses.

The presentation currency is the US dollar. In accordance with IAS 21, the results and financial position of the Foundation expressed in the functional currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented, are translated at the closing rate at the date of each balance sheet;
- Net assets other than income for the year are translated at year-end exchange rates;
- Income and expenses for each income statement are translated at average exchange rates.

All resulting exchange differences are recognized as a separate component of net assets.

**(b) Cash and cash equivalents**

Cash and cash equivalents are cash on hand and bank current accounts which are readily convertible into cash without notice. These are reflected at cost.

Continued)

**Digicel Haiti Foundation**  
**Notes to financial statements**

3) **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(c) **Construction materials**

Construction materials are recorded at cost and represent a reserve of metal profiles, a frequently used material, difficult to find in Haiti, and paint. They are sold to contractors as needed (note 10).

(d) **Contributions**

Contributions to the Foundation represent cash and non-cash donations. Income from these donations is recognized when the conditions related to the transfer of assets from the contributor to the Foundation are met.

Cash contributions from Unigestion Holding S.A. (Digicel Haiti) represent contributions received or receivable in cash from that company in Haiti.

Other cash contributions are provided by several international donors.

Contributions received for charges to be recorded in future years are deferred until the year where the related charges are incurred.

Non-cash contributions are recorded as income when received, at their estimated fair market value to the Foundation.

(e) **Funding of projects and advances to contractors**

A contractual framework surrounds each construction / renovation of school project. Per the terms of the contract, specific phases of work are identified and give rise to payments to the contractors.

Payments made are recorded as advances to contractors on projects. During the year, as projects are completed, the related liability is set up with a corresponding charge to the funding of projects expenses; and, later on, the advances are eliminated against the liability.

Expenses for grants are expensed when the disbursements are approved with the exception of grants made for the construction of schools that are treated as described above.

(f) **Income taxes**

Due to its legal status, Digicel Haiti Foundation is exempt from income taxes.

**Digicel Haiti Foundation**  
**Notes to financial statements**

4) **FINANCIAL RISK MANAGEMENT**

**Liquidity risk**

Digicel Haiti provides most of the liquidity of the Foundation. The Foundation evaluates its ability to meet its obligations on an ongoing basis. Based on these evaluations, the Foundation devises strategies to manage liquidity risk.

**Credit risk**

Cash and cash equivalents are kept at a large local bank. Management does not believe there is a risk of non-performance by that bank.

Accounts receivable are closely monitored and impairment provision is created whenever necessary. The net amount receivable is considered to be a low credit risk.

Advances to contractors for projects and to suppliers are with reputable contractors and Management believes there is no significant impairment risk thereon. If required, an impairment provision is recognized.

**Foreign exchange risk**

Foreign exchange risk results from inappropriate matching between the assets and liabilities denominated in foreign currency, which could lead to a long or short position impacted by the fluctuation of the Haitian gourde versus those foreign currencies.

At March 31, 2018 and 2017, the Foundation respectively a short position in US dollars of \$ 98,802 and a long position in US dollars of \$ 156,452. For each variation of one gourde versus the US dollar, the position in US dollars would result in an exchange gain or loss of approximately \$ 1,500 in 2018 and \$ 1,565 in 2017.

The rates of exchange of one Haitian gourde for one US dollar are as follows:

	<u>2018</u>	<u>2017</u>
March 31	65.25	69.32
Average rate	63.78	68.95

(Continued)

**Digicel Haiti Foundation**  
**Notes to financial statements**

**4) FINANCIAL RISK MANAGEMENT (CONTINUED)**

**Operational risk**

Management has put in place procedures to ensure that all constructions/renovation of schools are in line with the estimates and that all disbursements are properly authorized and well documented.

Qualified engineers, working at Digicel Haiti Fondation, regularly inspect the construction sites to ensure that the construction plans are followed, and not only in terms of the quality of the materials used but also in terms of the competence of the workers and of meeting the deadlines.

Also, proformas are obtained whenever possible and all checks need two signatures from top Management, when the payment is \$ 100,000 or more. Between \$ 100,000 and \$ 50,000, the CEO or the Finance Manager may sign with a member of top Management. Under \$ 50,000, the CEO may sign with the Finance Manager. Finally, adequate segregation of duties combined with restricted access to the accounting system contributes to minimizing operational risk. The accounting system is also designed to produce reports on a timely basis.

**5) CASH AND CASH EQUIVALENTS**

As of March 31, cash and cash equivalents are as follows:

	<b>2018</b>	<b>2017</b>
Cash	\$ 921	866
Current account – gourdes	85,561	13,280
Current accounts – US dollars	<u>111,153</u>	<u>166,706</u>
	<b>\$ 197,635</b>	<b>180,852</b>

Only, the current account – gourdes bears interest.

**6) ACCOUNTS RECEIVABLE**

Accounts receivable include:

	<b>2018</b>	<b>2017</b>
Contribution receivable from Unigestion Holding S.A. (Digicel Haiti), a related company – gourdes	\$ 263,415	12,475
Contractors	<u>887</u>	<u>760</u>
	<b>\$ 264,302</b>	<b>13,235</b>

(Continued)

**Digicel Haiti Foundation**  
**Notes to financial statements**

7) **ADVANCES TO CONTRACTORS FOR PROJECTS**

Advances on projects are to contractors for the construction and, to a lesser extent, for the renovation of schools.

8) **FIXED ASSETS, NET**

Fixed assets, net are comprised of only vehicles and evolved as follows:

	2018	2017
Balance at beginning of year	\$ 33,173	54,479
Translation adjustment	2,446	(5,875)
Less depreciation	<u>(16,682)</u>	<u>(15,431)</u>
Balance at end of year	\$ 18,937	33,173

9) **ACCOUNTS PAYABLE**

Accounts payable are as follows:

	2018	2017
Account payable-projects:		
Gourdes	\$ 42,198	24,531
Dollars US	<u>9,955</u>	<u>10,254</u>
	<u>52,153</u>	<u>34,785</u>
Accounts payable – others:		
Dollars (note)	200,000	-
Konbit pou chanjman – gourdes (note 13)	47,203	-
Suppliers - gourdes	18,136	13,980
Bonus and taxes payable - gourdes	<u>14,451</u>	<u>11,761</u>
	279,790	25,741
	\$ 331,943	60,526

**Note:** It is a temporary advance from the Iris O'Brien Foundation reimbursed in April 2018.

(Continued)

**Digicel Haiti Foundation**  
**Notes to financial statements**

**10) CASH CONTRIBUTIONS – OTHERS**

Cash contributions – others are as follows:

	2018	2017
W.K. Kellogg Foundation	\$ 108,695	-
Happy Hearts Fund	61,830	366,818
Cités Unies France	16,640	-
Revenue on sales of paint	11,052	13,440
Mark McGrath	9,946	-
Andrew Grene Foundation	7,794	18,870
Iris O'Brien Foundation	3,215	8,013
Revenue on sales of perfiles	1,929	6,083
Denis O'Brien	-	99,924
Ireland Funds America	-	74,944
Microsoft Corporation	-	50,000
Colm Delves	-	49,919
Lucy Gaffney	-	19,944
Petit Séminaire - Collège Saint-Martial	-	290
Others	<u>3,654</u>	<u>53,346</u>
	<b>\$ 224,755</b>	<b>761,591</b>

As of March 31, deferred income is as follows:

	2018	2017
W.K. Kellogg Foundation	\$ 57,930	-
Happy Hearts Fund	17,862	-
Iris O'Brien Foundation	<u>5,601</u>	-
	<b>\$ 81,393</b>	<b>-</b>

**11) FUNDING OF PROJECTS**

During the years ended March 31, the Foundation funded projects in the following fields:

	2018	2017
Construction and repairs of schools (a)	\$ 1,731,308	2,820,370
Training (b)	722,145	648,071
Grants (c)	<u>951,061</u>	<u>1,281,472</u>
	<b>\$ 3,404,514</b>	<b>4,749,913</b>

(Continued)

**Digicel Haiti Foundation**  
**Notes to financial statements**

**11) FUNDING OF PROJECTS (CONTINUED)**

- (a) In 2018 and 2017 respectively, 3 and 11 school projects were completed with furniture in the following departments: Nord-Ouest, Centre, Ouest, Sud-Est, Nippes, Sud and Grand'Anse. In 2018, repairs were completed in 15 schools mainly located in departments affected by Hurricane Matthew.
- (b) Training expenses include the remuneration of trainers and related expenses such as per diem, travel and lodging expenses. Furthermore, these expenses also cover training held during the summer at Camp Perin for directors and teachers working in the schools built by the Digicel Foundation.
- (c) Grants are amounts of money given to organizations for specific purposes which are defined prior to disbursement and are outlined in a signed memorandum of understanding. They are as follows:

	2018	2017
American Jewish World Service	\$ 489,722	200,000
Nos Petits Frères et Sœurs	131,703	158,375
Special Olympics Haïti	49,780	45,685
UNIFA	47,037	43,510
Prodev	40,163	45,685
Fondation l'Athlétique d'Haïti	31,358	48,948
Ouragan Matthew – divers	-	276,657
Camara Education Ltd.	-	137,500
Foundation Dr. Louis G. Lamothe	-	46,327
SOIL	-	45,337
Others	<u>161,298</u>	<u>233,448</u>
	<b>\$ 951,061</b>	<b>1,281,472</b>

**12) SALARIES AND EMPLOYEES BENEFITS**

Salaries and employees benefits are comprised of:

	2018	2017
Salaries and benefits	\$ 263,908	256,196
Bonuses	<u>69,685</u>	<u>46,400</u>
	<b>\$ 333,593</b>	<b>302,596</b>

The increase mainly results from an employee who left the Foundation and took advantage of the Voluntary Separation Program

(Continued)



**Digicel Haiti Foundation**  
**Notes to financial statements**

**13) CELEBRATION OF 10<sup>th</sup> ANNIVERSARY**

In March 2017, Digicel Foundation celebrated its 10th anniversary in Haiti. On this occasion, it presented its new initiative Konbit Pou Chanjman, promoting a more sustainable community. The initiative was to remit \$ 10,000 each to 10 organizations for the setup of a community project in each of the 10 departments of the country. Organizations interested in setting up a project in their community were invited to submit a grant request in the following areas: education, culture, inclusion, means of sustainability, access and prevention of disasters. Then, 62 organizations were thus selected and field visits were made to evaluate the various proposals. After evaluation, 11 organizations were chosen, not 10, that would receive a grant to execute their projects. A total amount of 7,700,000 gourdes (\$ 118,000) will be distributed, that is 700,000 gourdes per organization:

Upon signature - March 2018	G 280,000
August 2018	210,000
December 2018	<u>210,000</u>
	<b>G 700,000</b>

In 2018, in the wake of the 10<sup>th</sup> anniversary celebration, the following expenses were incurred:

Konbit pou chanjman – 1 <sup>st</sup> instalment upon signature (note 9)	\$ 47,203
Gala evening	30,697
Finalists stay in Port-au-Prince	26,769
Field visits of 62 organizations	13,273
Printing of the 10 <sup>th</sup> anniversary book	9,166
Marketing	7,641
Others	<u>4,184</u>
	<b>\$ 138,933</b>

**14) COMMITMENTS**

At March 31, 2018, the Foundation is committed to pay \$ 116,000 relating to the completion of the construction and rehabilitation of schools.

The Foundation is also committed to contribute to various non-profit organizations, as follows:

2019	\$ 385,000
2020	<u>150,000</u>
	<b>\$ 535,000</b>

# Digicel Foundation

 digicelhaiti  @DigicelHaiti  digicelhtpap  
[www.fondationdigicelhaiti.org](http://www.fondationdigicelhaiti.org)