

**The Grant Foundation  
d/b/a Hôpital Albert Schweitzer  
Haiti**

Financial Statements

Years Ended December 31, 2015 and 2014  
with Independent Auditor's Report

**MaherDuessel**  
Certified Public Accountants

Pittsburgh | Harrisburg | Butler

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**THE GRANT FOUNDATION  
D/B/A HÔPITAL ALBERT SCHWEITZER HAITI**

YEARS ENDED DECEMBER 31, 2015 AND 2014

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## Independent Auditor's Report

Board of Directors  
The Grant Foundation  
d/b/a Hôpital Albert Schweitzer Haiti

We have audited the accompanying financial statements of The Grant Foundation d/b/a Hôpital Albert Schweitzer Haiti (HAS), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of unrestricted revenues and expenses, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the Haiti-based operations of HAS, whose assets constitute thirty-three percent in 2015 and twenty-six percent in 2014 of HAS as a whole, and whose total unrestricted support and revenues constitute fourteen percent in 2015 and fifteen percent in 2014, of the related totals as presented in Note 15. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Haiti-based operations of HAS, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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, based on our audits and the report of the other auditors for 2015 and 2014, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of HAS as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis Paragraph**

As discussed in Note 2 to the financial statements, the audited statements of the Haiti operations were restated by \$126,603 for a transfer of net assets between unrestricted and temporarily restricted for the year ended December 31, 2014. This restatement did not change total net assets reported for 2014. Our opinion has not been modified with respect to this matter.

*Maher Duessel*

Pittsburgh, Pennsylvania  
April 20, 2016

**THE GRANT FOUNDATION**  
**D/B/A HÔPITAL ALBERT SCHWEITZER HAITI**

STATEMENTS OF FINANCIAL POSITION

YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014, as restated
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 1,292,083	\$ 1,138,798
Accounts and contributions receivable (Note 4)	225,156	89,028
Grants receivable (Note 5)	29,988	100,530
Inventories (Note 6)	1,534,415	1,454,178
Security deposit	4,761	61,465
Advances to suppliers and prepaid expenses	63,943	49,156
Total current assets	3,150,346	2,893,155
Non-current assets:		
Investments (Note 7)	9,843,906	10,409,037
Fixed assets (Note 8)	3,100,999	2,439,850
Total non-current assets	12,944,905	12,848,887
<b>Total Assets</b>	<b>\$ 16,095,251</b>	<b>\$ 15,742,042</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses (Note 9)	\$ 304,633	\$ 190,631
Accrued pension liability - current	16,288	20,000
Total current liabilities	320,921	210,631
Non-current liabilities:		
Deferred gift annuities	341	-
Accrued pension liability (Note 10)	76,299	98,083
Total non-current liabilities	76,640	98,083
Total Liabilities	397,561	308,714
Net Assets:		
Unrestricted	10,967,029	11,217,021
Unrestricted, board-designated	2,000,000	2,285,662
Total unrestricted	12,967,029	13,502,683
Temporarily restricted (Note 11)	1,799,366	1,930,645
Permanently restricted (Note 12)	931,295	-
Total Net Assets	15,697,690	15,433,328
<b>Total Liabilities and Net Assets</b>	<b>\$ 16,095,251</b>	<b>\$ 15,742,042</b>

See accompanying notes to financial statements.

**THE GRANT FOUNDATION**  
**D/B/A HÔPITAL ALBERT SCHWEITZER HAITI**  
**STATEMENTS OF UNRESTRICTED REVENUES AND EXPENSES**

YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014, as restated
<b>Unrestricted Revenues:</b>		
Contributions	\$ 2,298,978	\$ 1,743,043
Fundraising revenue	803,094	828,861
Hospital and community services fees	505,373	495,638
Contributed drugs, supplies, and services	264,134	379,485
Sundry (loss) income	195,039	204,249
Foreign exchange (loss) gain, net	56,898	22,592
Investment income (loss)	1,112,619	1,688,080
Other	16,100	68,139
	<u>5,252,235</u>	<u>5,430,087</u>
Net unrealized gain (loss) in fair value of investments	(1,141,813)	(966,068)
Net assets released from restrictions (Note 11)	2,894,330	2,725,463
	<u>7,004,752</u>	<u>7,189,482</u>
<b>Expenses:</b>		
Operational expenses:		
Hospital operations (Note 14)	3,701,344	4,054,326
Integrated Community Services	1,346,317	1,366,106
Physical plant	575,061	678,276
Depreciation (Note 8)	344,048	319,191
	<u>5,966,770</u>	<u>6,417,899</u>
Administrative expenses:		
Hospital and programs administration	414,245	368,053
Foundation administration and fundraising	1,124,494	1,094,072
Pension expense (Note 10)	34,897	64,371
	<u>1,573,636</u>	<u>1,526,496</u>
Total administrative expenses	<u>1,573,636</u>	<u>1,526,496</u>
Total expenses (Note 14)	<u>7,540,406</u>	<u>7,944,395</u>
<b>Excess (Deficiency) of Unrestricted Revenues Over Expenses</b>	<u>\$ (535,654)</u>	<u>\$ (754,913)</u>

See accompanying notes to financial statements.

**THE GRANT FOUNDATION**  
**D/B/A HÔPITAL ALBERT SCHWEITZER HAITI**

STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014, as restated
<b>Unrestricted Net Assets:</b>		
Beginning of year	\$ 13,502,683	\$ 14,257,596
Change in unrestricted net assets	(535,654)	(754,913)
Balance at end of year	\$ 12,967,029	\$ 13,502,683
<b>Temporarily Restricted Net Assets:</b>		
Beginning of year	\$ 1,930,645	\$ 1,307,255
Contributions during the year	2,750,326	3,348,853
Investment income (loss)	4,874	-
Net unrealized gain (loss) in fair value of investments	7,851	-
Net assets released from restrictions	(2,894,330)	(2,725,463)
Change in temporarily restricted net assets	(131,279)	623,390
Balance at end of year (Note 11)	\$ 1,799,366	\$ 1,930,645
<b>Permanently Restricted Net Assets</b>		
Beginning of year	\$ -	\$ -
Contributions during the year	931,295	-
Change in permanently restricted net assets	931,295	-
Balance at end of year (Note 12)	\$ 931,295	\$ -
<b>Total Net Assets:</b>		
Beginning of year	\$ 15,433,328	\$ 15,564,851
Change in net assets	264,362	(131,523)
Balance at end of year	\$ 15,697,690	\$ 15,433,328

See accompanying notes to financial statements.

**THE GRANT FOUNDATION**  
**D/B/A HÔPITAL ALBERT SCHWEITZER HAITI**

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 264,362	\$ (131,523)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net unrealized (increase) decrease in fair value of investments	1,133,962	966,068
Net realized (gain) loss on sale of investments	(962,996)	(1,553,262)
Contributions restricted for long-lived assets	(721,472)	(111,350)
Contributed stock for the Endowment	(814,680)	-
Depreciation (Note 8)	344,048	319,191
Change in:		
Accounts and contributions receivable	(136,128)	5,810
Grants receivable	70,542	(73,530)
Inventories	(80,237)	174,440
Security deposit	56,704	(34,020)
Advances to suppliers and prepaid expenses	(14,787)	(33,892)
Accounts payable and accrued expenses	114,002	42,802
Accrued pension liability	(25,496)	7,083
Gift annuity liability	341	(1,395)
	(771,835)	(423,578)
<b>Cash Flows From Investing Activities:</b>		
Additions to land, buildings, construction in progress, and equipment (Note 8)	(1,005,197)	(825,629)
(Purchase) sales of investments, net	1,208,845	1,132,678
	203,648	307,049
<b>Cash Flows From Financing Activities:</b>		
Contributions for long-lived assets	721,472	111,350
	153,285	(5,179)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash and Cash Equivalents:</b>		
Beginning of year	1,138,798	1,143,977
End of year (Note 3)	\$ 1,292,083	\$ 1,138,798
<b>Noncash Transactions</b>		
Contributed stock for the Endowment	\$ 814,680	\$ -

See accompanying notes to financial statements.



# THE GRANT FOUNDATION D/B/A HÔPITAL ALBERT SCHWEITZER HAITI

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

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### 1. ORGANIZATION

The Grant Foundation, doing business as Hôpital Albert Schweitzer Haiti (HAS), is a not-for-profit corporation, registered in the State of Pennsylvania, USA, which supports and maintains operations in Deschapelles, Haiti. As referenced in le Moniteur (the Official Publication of the Government of Haiti) of October 1, 1953, under a contract between the Haitian Government and HAS, HAS is authorized to establish and maintain a hospital in Haiti.

HAS was founded in 1956 and its mission is to collaborate with the people in the Artibonite Valley District of Haiti, as they strive to improve their health and quality of life. The financial statements include the operations of HAS USA and the operations of HAS Haiti.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) on the accrual basis of accounting, recognizing revenues when earned and recording expenses when incurred. Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are reported as follows:

#### Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations. Certain unrestricted net assets are designated by the Board of Directors (Board) for specific purposes.

#### Temporarily Restricted Net Assets

Net assets whose use is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of HAS pursuant to those stipulations.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified as unrestricted net assets and reported in the statements of unrestricted revenues and expenses as net assets released from restriction.

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# THE GRANT FOUNDATION D/B/A HÔPITAL ALBERT SCHWEITZER HAITI

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

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### Permanently Restricted Net Assets

Nets assets with donor-imposed restrictions that stipulate that resources be maintained permanently, but permit HAS to expend all or a portion of the income derived from the donated assets.

### (b) Cash and Cash Equivalents

For purposes of the statements of cash flows, HAS considers all highly liquid investments with original maturity of three months or less when purchased to be cash equivalents.

### (c) Investments

Investments are stated at fair value, which is based on quoted market prices. Gains or losses realized on sales and changes in net unrealized gains or losses are presented in the statements of unrestricted revenues and expenses.

HAS utilizes various investment instruments. Investment securities are stated at fair value and, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the financial statements.

Earnings on the investment of temporarily restricted net assets are not themselves temporarily restricted; as such, they are reflected within the unrestricted net asset class. Earnings on the investment of permanently restricted net assets are temporarily restricted until released to unrestricted net assets by approval of the Board of Directors; such unreleased investment income is reflected within the restricted net asset class.

### (d) Accounts Receivable

Receivables are reported at net realizable value. Accounts receivable are written off to expenses using the direct write-off method if and when they are determined to be uncollectable.

# THE GRANT FOUNDATION D/B/A HÔPITAL ALBERT SCHWEITZER HAITI

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

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### (e) Inventories

Inventories are valued at the lower of average cost and net realizable value. Inventories are expensed as used or, if they are determined to be spoiled, expired, or obsolete, at the time they are so determined.

### (f) Contributions

All contributions are available for unrestricted use unless the use is restricted by the donor. Unrestricted contributions are recorded as revenue upon receipt. When contributions are received for a restricted use, they are recorded as either temporarily or permanently restricted contributions. When temporarily restricted contributions are used for the intended purposes or time period, those contributions are recorded as net assets released from restrictions. Permanently restricted net assets are held as such in perpetuity.

Unconditional promises to give cash and other assets to HAS are recorded at fair value at the date the promise is received. Promises expected to be collected in future years are recorded as temporarily restricted net assets, at the present value of their estimated future cash flows. The discounts on those amounts are computed using appropriate interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Non-cash contributions, such as drugs, supplies, and services, are recorded as unrestricted revenue when received, at their estimated fair market value to the organization. Contributed goods are expensed when used. Contributed services are expensed at the time the services are received.

### (g) Grants

HAS maintains contractual agreements with international donors whereby it manages programs funded by those donors. Grants received under those programs are recorded as temporarily restricted net assets until related expenses are incurred; at that time, they are recorded as net assets released from restrictions.

Grants receivable in relation to contractual agreements represent expenses already incurred for which funds will be forthcoming under the terms of the agreements and grants promised.

# THE GRANT FOUNDATION D/B/A HÔPITAL ALBERT SCHWEITZER HAITI

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

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### (h) Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of 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.

### (i) Concentration of Credit Risk

HAS's financial instruments exposed to credit risk consist primarily of cash and investments and of grants and accounts receivable. When valuing those instruments, HAS routinely assesses the financial strength of the financial institutions it uses and the quality of its receivables, and as a consequence, believes that for its cash and cash equivalents, grants, and accounts receivable, credit risk exposure is very limited.

### (j) Income Taxes

HAS is a not-for-profit corporation as described in Section 501(c)(3) of the United States Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 509(a)(1) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes is necessary. HAS is also exempt from sales and income taxes. Further, HAS annually files a Form 990 and a Form 990T.

### (k) Fixed Assets

Land, building, and equipment are recorded at cost or, if donated, at fair market value at date of receipt. The cost of buildings and equipment is depreciated over the estimated useful lives of the various classes using primarily the straight-line method, as follows:

	<u>Years</u>
Buildings	20
Vehicles	4
Equipment	4, 5, and 10
Computer equipment	5
Generators	5

Depreciation methods and useful lives are reviewed at each financial year-end and adjusted if appropriate.

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# THE GRANT FOUNDATION D/B/A HÔPITAL ALBERT SCHWEITZER HAITI

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

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Major costs for improvements and reconditioning are capitalized and costs for maintenance and repairs are charged directly to expenses.

Gains or losses realized on disposals of buildings and equipment are recognized in the statements of unrestricted revenue and expenses.

### (l) Hospital and Dispensary Fees

HAS charges a fee to all clinic patients and in-patients for treatment, if they are able to pay, and only amounts collected are reflected in the financial statements as they are the only fees to be realized. A moderate charge is made for any elective surgeries which may be performed for a patient and for several other services performed for out-district patients.

### (m) Defined Benefit Pension Plan

HAS maintains a defined benefit pension plan for former employees who were pensioners as of December 31, 2006. The pension plan provides defined pension benefits based upon years of credited services and final average earnings. In accordance with accounting principles generally accepted in the United States of America (GAAP), an actuarial valuation was obtained to support the accrued pension liability as of December 31, 2015 and 2014, and the net periodic benefit cost for the years then ended.

The initial net transition obligation has been amortized over the expected future lifetime of the plan participants at the date established using 4.90 years and a straight-line amortization method. Cumulative gains and losses in excess of 10% of the Projected Benefit Obligation have been amortized over the expected future lifetime of the plan participants.

The pension plan does not maintain any assets; the net periodic benefit cost is funded from unrestricted net assets.

### (n) Foreign Exchange and Foreign Exchange Risk

The functional currency of HAS is the United States (US) Dollar. Monetary assets and liabilities stated in Haitian Gourdes are converted to US Dollars at the exchange rate prevailing at year-end. Gains and losses resulting from this conversion are included in the statement of unrestricted revenues and expenses.

Transactions in Haitian Gourdes are converted at the exchange rate in effect at the transaction date.

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# THE GRANT FOUNDATION D/B/A HÔPITAL ALBERT SCHWEITZER HAITI

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

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HAS is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

The table below summarizes the allocation of HAS's financial assets and liabilities carried in Haitian Gourdes converted to US Dollars below as of December 31, 2015 and 2014:

	2015	2014
Cash and cash equivalents	\$ 344,420	\$ 95,251
Accounts and grants receivable	-	70,852
Total assets	344,420	166,103
Accounts payable and accrued liabilities	38,471	50,991
Net	\$ 305,949	\$ 115,112

The rates of exchange published by the Central Bank of Haiti as of December 31, 2015 and 2014, respectively, were G 56.6970 and G 46.7477 for one US Dollar. As of December 31, 2015 and 2014, for each variation of one Gourde versus the US Dollar, the currency position in Haitian Gourdes converted would result in an exchange gain or loss of \$5,400 and \$2,479, respectively, as the case may be.

### (o) Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the hospital's processes, personnel, technology, and infrastructure, and from external factors other than credit, foreign exchange, and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risk arises from all of the hospital's operations.

The hospital's objective regarding operational risk is to balance the avoidance of financial losses and damage to the hospital's reputation with overall cost effectiveness.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions
- Requirements for the reconciliation and monitoring of transactions

# THE GRANT FOUNDATION D/B/A HÔPITAL ALBERT SCHWEITZER HAITI

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

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- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance where this is effective

### (p) Reclassification

Certain items that were netted on the statement of unrestricted revenues and expenses for 2014 have been reclassified to show the amounts gross. Additionally, certain items on the statement of cash flows for 2014 have been reclassified to correspond with the current year presentation. The reclassifications had no effect on the change in net assets.

### (q) Restatement

The audit of the Haiti operations was restated by \$126,603 for certain contributions that were temporarily restricted that had been previously reported as unrestricted contributions in the 2014 financial statements. This restatement did not change total net assets reported for 2014.

### (r) Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

## 3. CASH AND CASH EQUIVALENTS

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

	<u>2015</u>	<u>2014</u>
Cash on hand	\$ 13,196	\$ 7,087
Non-interest bearing accounts	996,890	799,166
Interest bearing accounts	281,997	332,545
	<u>\$ 1,292,083</u>	<u>\$ 1,138,798</u>

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# THE GRANT FOUNDATION D/B/A HÔPITAL ALBERT SCHWEITZER HAITI

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

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Interest-bearing accounts in the United States of America represent bank accounts and money market accounts which earn interest at the prevailing rate. There were no interest-bearing accounts in Haiti in 2015 and 2014.

Cash and cash equivalents in Gourdes and US Dollars are as follows:

	<u>2015</u>	<u>2014</u>
In Haitian Gourdes (as converted to US Dollars)	\$ 344,420	\$ 95,251
In US Dollars	<u>947,663</u>	<u>1,043,547</u>
	<u>\$ 1,292,083</u>	<u>\$ 1,138,798</u>

HAS's United States bank account balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ended December 31, 2015 and 2014. At December 31, 2015 and 2014, HAS had bank balances of \$358,253 and \$391,834, respectively, in excess of FDIC insured limits.

#### 4. ACCOUNTS AND CONTRIBUTIONS RECEIVABLE

As of December 31, accounts and contributions receivable are as follows:

	<u>2015</u>	<u>2014</u>
Accounts receivable	\$ 23,352	\$ 13,224
Contributions receivable	<u>201,804</u>	<u>75,804</u>
Total	<u>\$ 225,156</u>	<u>\$ 89,028</u>

All receivables are expected to be collected within one year.

#### 5. GRANTS RECEIVABLE

As of December 31, 2015 and 2014, HAS had grants receivable of \$29,988 and \$100,530, respectively. Receivables are expected to be collected in one year.

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**THE GRANT FOUNDATION**  
**D/B/A HÔPITAL ALBERT SCHWEITZER HAITI**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

**6. INVENTORIES**

As of December 31, inventories are as follows:

	2015	2014
Pharmaceutical and medical supplies	\$ 1,276,022	\$ 1,182,876
Parts, supplies, and materials	226,880	225,758
Fuel, gas, and oil	31,513	45,544
	\$ 1,534,415	\$ 1,454,178

**7. INVESTMENTS**

Investments consist of cash investments, money market funds, stocks, mutual funds, and other instruments. The fair value of the investments as of December 31, 2015 and 2014 is \$9,843,906 and \$10,409,037, respectively.

The total returns on investments and cash equivalents for the years ended December 31, 2015 and 2014 are summarized as follows:

	2015		
	Unrestricted	Temporarily Restricted	Total
Interest on cash and cash equivalents	\$ -	\$ 84	\$ 84
Interest/dividend income	183,852	-	183,852
Interest/dividend income from permanent endowment	-	685	685
Total interest and dividends	183,852	769	184,621
Realized gains (losses) on sale of investments	958,798	4,198	962,996
Investment advisor fees	(30,032)	(92)	(30,124)
Total investment income (loss)	1,112,618	4,875	1,117,493
Unrealized gains (losses)	(1,141,813)	7,851	(1,133,962)
Total investment gain (loss) recognized	\$ (29,195)	\$ 12,726	\$ (16,469)

# THE GRANT FOUNDATION D/B/A HÔPITAL ALBERT SCHWEITZER HAITI

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

	2014		
	Unrestricted	Temporarily Restricted	Total
Interest on cash and cash equivalents	\$ 168	\$ -	\$ 168
Interest/dividend income	170,631	-	170,631
Interest/dividend income from permanent endowment	-	-	-
Total interest and dividends	170,799	-	170,799
Realized gains (losses) on sale of investments	1,553,262	-	1,553,262
Investment advisor fees	(35,981)	-	(35,981)
Total investment income (loss)	1,688,080	-	1,688,080
Unrealized gains (losses)	(966,068)	-	(966,068)
Total investment gain (loss) recognized	\$ 722,012	\$ -	\$ 722,012

Fair values of assets measured on a recurring basis as of December 31, 2015 and 2014 are as follows:

Description	12/31/15	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash investments:				
Money market funds	\$ 1,096,356	\$ 1,096,356	\$ -	\$ -
Equities - domestic	5,204,344	5,204,344	-	-
Equities - international	693,001	693,001	-	-
Equities - emerging markets	346,349	346,349	-	-
Fixed income - bond funds	1,586,246	1,586,246	-	-
Fixed income - other	504,163	504,163	-	-
Alternative investments - Strategy Fund	379,907	-	379,907	-
Alternative investments - Private Equity	33,540	-	-	33,540
Totals	\$ 9,843,906	\$ 9,430,459	\$ 379,907	\$ 33,540

# THE GRANT FOUNDATION D/B/A HÔPITAL ALBERT SCHWEITZER HAITI

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

Description	12/31/14	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash investments:				
Money market funds	\$ 912,648	\$ 912,648	\$ -	\$ -
Equities - domestic	7,001,740	7,001,740	-	-
Equities - international	274,131	274,131	-	-
Equities - emerging markets	568,801	568,801	-	-
Fixed income - bond funds	1,068,992	1,068,992	-	-
Fixed income - other	183,808	183,808	-	-
Alternative investments - Strategy Fund	361,393	-	361,393	-
Alternative investments - Private Equity	37,524	-	-	37,524
Totals	<u>\$ 10,409,037</u>	<u>\$ 10,010,120</u>	<u>\$ 361,393</u>	<u>\$ 37,524</u>

Fair values for Level 1 financial instruments are determined by quoted prices in the active market for identical financial instruments. Fair values for Level 2 financial instruments are determined by other significant observable inputs (quoted prices for similar financial instruments, interest rates, prepayment speeds, credit risk, etc.). Fair values for Level 3 financial instruments are determined by significant unobservable inputs, including HAS's own assumptions in determining the fair value of financial instruments.

### Return Objectives and Risk Parameters

To satisfy its long-term rate-of-return objectives, HAS relies on returns in excess of the rate of inflation. HAS targets a diversified asset allocation that places greater emphasis on equity based investments to achieve its long-term return objectives within prudent risk constraints.

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NOTES TO FINANCIAL STATEMENTS

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**8. FIXED ASSETS**

Fixed assets at cost are stated as follows at December 31, 2015 and 2014:

	Balance as of December 31, 2014	Additions	Transfers	Disposals	Balance as of December 31, 2015
Land	\$ 183,295	\$ -	\$ -	\$ -	\$ 183,295
Buildings	5,581,296	-	-	-	5,581,296
Vehicles	930,118	81,593	-	(96,520)	915,191
Equipment	1,727,562	160,790	-	-	1,888,352
Computer equipment	343,259	4,358	-	-	347,617
Generators	330,472	-	-	-	330,472
Investments in progress	738,199	758,456	-	-	1,496,655
Total fixed assets	<u>\$ 9,834,201</u>	<u>\$ 1,005,197</u>	<u>\$ -</u>	<u>\$ (96,520)</u>	<u>\$ 10,742,878</u>

	Balance as of December 31, 2013	Additions	Transfers	Disposals	Balance as of December 31, 2014
Land	\$ 183,295	\$ -	\$ -	\$ -	\$ 183,295
Buildings	5,581,296	-	-	-	5,581,296
Vehicles	993,161	40,612	-	(103,655)	930,118
Equipment	1,535,488	192,074	-	-	1,727,562
Computer equipment	342,403	856	-	-	343,259
Generators	330,472	-	-	-	330,472
Investments in progress	146,112	592,087	-	-	738,199
Total fixed assets	<u>\$ 9,112,227</u>	<u>\$ 825,629</u>	<u>\$ -</u>	<u>\$ (103,655)</u>	<u>\$ 9,834,201</u>

# THE GRANT FOUNDATION D/B/A HÔPITAL ALBERT SCHWEITZER HAITI

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During 2015 and 2014, accumulated depreciation is as follows:

Accumulated Depreciation	Balance as of December 31, 2014	Additions	Disposals	Balance as of December 31, 2015
Buildings	\$ 4,489,650	\$ 162,702	\$ -	\$ 4,652,352
Vehicles	803,546	64,248	(96,520)	771,274
Equipment	1,475,472	86,463	-	1,561,935
Computer equipment	339,760	2,998	-	342,758
Generators	285,923	27,637	-	313,560
Total accumulated depreciation	<u>\$ 7,394,351</u>	<u>\$ 344,048</u>	<u>\$ (96,520)</u>	<u>\$ 7,641,879</u>

Accumulated Depreciation	Balance as of December 31, 2013	Additions	Disposals	Balance as of December 31, 2014
Buildings	\$ 4,326,948	\$ 162,702	\$ -	\$ 4,489,650
Vehicles	842,834	64,367	(103,655)	803,546
Equipment	1,422,027	53,445	-	1,475,472
Computer equipment	337,068	2,692	-	339,760
Generators	249,938	35,985	-	285,923
Total accumulated depreciation	<u>\$ 7,178,815</u>	<u>\$ 319,191</u>	<u>\$ (103,655)</u>	<u>\$ 7,394,351</u>

### 9. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	2015	2014
HASUC (a)	\$ 75,776	\$ 60,653
Trade payables	228,857	129,978
	<u>\$ 304,633</u>	<u>\$ 190,631</u>

- (a) The Hôpital Albert Schweitzer Credit Union (HASUC) receives deposits from its members to whom it makes loans. The balance deposited with HAS represents the net outstanding deposits, including interest earned.

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**10. PENSION PLANS**

Defined Benefit Pension Plan

During 2015 and 2014, the change in the accrued pension liability was as follows:

	2015	2014
Provision at the beginning of the year	\$ 118,083	\$ 111,000
Benefits paid from the plan	(19,174)	(21,380)
Net periodic benefit (gain)	(6,322)	28,463
Provision at the end of the year	<u>\$ 92,587</u>	<u>\$ 118,083</u>
Current portion	\$ 16,288	\$ 20,000
Non-current portion	76,299	98,083
	<u>\$ 92,587</u>	<u>\$ 118,083</u>

Net periodic benefit (gain) cost includes:

	2015	2014
Interest cost	\$ 3,646	\$ 3,428
Actuarial loss	12,346	25,035
Exchange rate changes	(22,314)	-
Net periodic benefit (gain)	<u>\$ (6,322)</u>	<u>\$ 28,463</u>

In 2015, the plan was subjected to an actuarial valuation. In their 2015 report, the actuaries calculated the 2014 periodic benefit cost and projected the 2015 periodic benefit cost. The actuaries used the following components:

- Mortality tables: sex-distinct RP-2014 healthy annuitant mortality tables with generational projection using scale MP-2014 set forward 15 years with no collar adjustment.
- Discount rate of 3.65%
- Weighting for benefit payments of 13/24
- Average future life expectancy of 4.60
- Number of participants: 36 in 2015 and 35 in 2014
- Average age of 78.5 in 2015 and 77.5 in 2014

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### Defined Contribution Plan

In 2000, HAS established a qualified contribution plan and a tax-deferred annuity plan covering its employees in the United States. Those plans are administered by Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA CREF) as a single plan. The plan qualifies under Code Section 403(b) of the Internal Revenue Code. Under this plan, HAS contributes 4% of a full-time employee's compensation to a trust and, in addition, will match an employee's contribution to the plan up to an additional 4% of compensation. Total employer contributions under the plan were \$41,219 and \$35,908 in 2015 and 2014, respectively.

### **11. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of December 31 were comprised of the following:

	<u>2015</u>	<u>2014</u>
Agricultural Services	\$ 16,302	\$ 22,483
Hospital Services	1,091,173	1,092,990
Infrastructure	-	82,779
Other	133,146	452,067
Primary Health Services	399,440	126,614
Water/Sanitation Services	159,305	153,712
	<u>\$ 1,799,366</u>	<u>\$ 1,930,645</u>

For the year ended December 31, 2015, net assets of \$2,894,330 were released from donor restrictions by incurring expenses satisfying the restricted purpose. For the year ended December 31, 2014, net assets of \$2,725,463 were released from donor restrictions by incurring expenses satisfying the restricted purpose.

### **12. PERMANENTLY RESTRICTED NET ASSETS AND ENDOWMENT**

In 2015, HAS adopted a permanently restricted endowment policy. Under that policy, endowment contributions will be added to permanently restricted net assets and will be maintained as such in perpetuity. Income earned on permanently restricted net assets will be temporarily restricted until released to unrestricted net assets by a decision of the Board of Directors. Under its endowment policy, the Board of Directors determined that in 2015,

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## NOTES TO FINANCIAL STATEMENTS

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\$2,000,000 of unrestricted net assets would be used to create a Board designated endowment fund.

In 2015, under the terms of an endowment gift agreement (Agreement), HAS received a permanently restricted contribution of shares valued at \$814,680. According to the Agreement, the donation of shares will be held for a period of five years in a custody-only account, beginning as of the date of the Agreement. During the five-year period, regular or special dividends generated from the donation in the form of cash, may be distributed annually at the discretion of the Board of Directors of HAS for the purpose of providing ongoing support to the mission of HAS. Any special dividends or other distributions generated from the donation during this time period that are paid in the form of stock shares or equity instruments other than cash, will remain in the custody-only account. Following the five-year period, the donation will be invested in accordance with the investment policies and procedures as described in Note 7. In 2015, permanently restricted net assets also include \$116,615 in cash contributions.

### 13. LEASE

HAS leases its office space in the United States. The expenses relating to this lease for the years ended December 31, 2015 and 2014 were \$38,745 and \$36,716, respectively. Future minimum non-cancelable lease payments are anticipated to be as follows:

2016	\$ 34,146
2017	34,146
2018	5,691
	<u>\$ 73,983</u>



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NOTES TO FINANCIAL STATEMENTS

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**14. EXPENSES**

For 2015 and 2014, expenses by nature are as follows:

	<b>2015</b>					Total
	<b>Haiti Program Services</b>			<b>Institutional Support</b>		
	Hospital	Community Health	Community Development	Administration	Fundraising	
Salaries, benefits, and taxes	\$ 2,719,511	\$ 617,519	\$ 173,746	\$ 103,198	\$ 462,848	\$ 4,076,822
Supplies and pharmaceuticals	1,177,888	240,136	109,314	4,171	31,170	1,562,679
Professional services	190,486	1,444	2,409	17,578	113,820	325,737
Depreciation	340,549	-	-	3,499	-	344,048
Training and education	14,609	18,713	21,777	-	347	55,446
Transportation and travel	130,531	38,307	64,865	61,027	81,086	375,816
Plant maintenance and electrical power generation	349,179	-	-	-	-	349,179
Others	107,801	26,087	32,000	51,627	233,164	450,679
	<u>\$ 5,030,554</u>	<u>\$ 942,206</u>	<u>\$ 404,111</u>	<u>\$ 241,100</u>	<u>\$ 922,435</u>	<u>\$ 7,540,406</u>

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	<b>2014</b>					
	<b>Haiti Program Services</b>			<b>Institutional Support</b>		<b>Total</b>
	Hospital	Community Health	Community Development	Administration	Fundraising	
Salaries, benefits, and taxes	\$ 2,711,226	\$ 571,328	\$ 145,706	\$ 101,004	\$ 403,203	\$ 3,932,467
Supplies and pharmaceuticals	1,515,756	324,420	96,293	4,609	30,146	1,971,224
Professional services	169,062	384	89	17,232	158,454	345,221
Depreciation	315,787	-	-	3,403	-	319,190
Training and education	27,862	20,896	31,630	-	3,066	83,454
Transportation and travel	159,954	53,541	70,084	50,852	51,827	386,258
Plant maintenance and electrical power generation	456,414	-	-	-	-	456,414
Others	94,358	16,003	35,732	69,236	234,838	450,167
	<b>\$ 5,450,419</b>	<b>\$ 986,572</b>	<b>\$ 379,534</b>	<b>\$ 246,336</b>	<b>\$ 881,534</b>	<b>\$ 7,944,395</b>

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Hospital operations of \$5,030,554 and \$5,450,419 for 2015 and 2014, respectively, represent the major component of total expenses. They consist of salaries of physicians, nurses, nurses' aides, nurse assistants, clinical technicians in pharmacy, laboratory, radiology, finance, front desk, clerical, housekeeping, and other general support personnel; in addition, they also included all medical costs such as pharmaceuticals, medical supplies and equipment, and information technology and communications expenses.

### 15. GEOGRAPHIC DISTRIBUTIONS

As of December 31, assets are distributed as follows:

	United States		Haiti		Total	
	2015	2014	2015	2014	2015	2014
<b>ASSETS:</b>						
Cash and banks	\$ 578,316	\$ 973,806	\$ 713,767	\$ 164,992	\$ 1,292,083	\$ 1,138,798
Accounts and contributions receivable	205,156	75,879	20,000	13,149	225,156	89,028
Grants receivable	29,988	100,530	-	-	29,988	100,530
Inventories	-	-	1,534,415	1,454,178	1,534,415	1,454,178
Security deposits	3,845	3,845	916	57,620	4,761	61,465
Advances and prepaids	63,943	45,807	-	3,349	63,943	49,156
Investments	9,843,906	10,409,037	-	-	9,843,906	10,409,037
Land, buildings, and equipment, net	4,425	7,923	3,096,574	2,431,927	3,100,999	2,439,850
Total	\$ 10,729,579	\$ 11,616,827	\$ 5,365,672	\$ 4,125,215	\$ 16,095,251	\$ 15,742,042
	67%	74%	33%	26%	100%	100%

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	United States		Haiti		Total	
	2015	2014	2015	2014	2015	2014
<b>UNRESTRICTED REVENUES:</b>						
Contributions	\$ 3,102,072	\$ 2,571,904	\$ -	\$ -	\$ 3,102,072	\$ 2,571,904
Sundry income and sales	-	-	195,039	204,249	195,039	204,249
Investment income	1,112,619	1,688,080	-	-	1,112,619	1,688,080
Net unrealized (decline) increase in fair value of investments	(1,141,813)	(966,068)	-	-	(1,141,813)	(966,068)
Net assets released from restrictions	2,777,634	2,619,319	116,696	106,144	2,894,330	2,725,463
Other	16,100	68,139	826,405	897,715	842,505	965,854
Total	\$ 5,866,612	\$ 5,981,374	\$ 1,138,140	\$ 1,208,108	\$ 7,004,752	\$ 7,189,482
	86%	85%	14%	15%	100%	100%

The revenue percentages above do not include the change in the fair value of investments.

### 16. SUNDRY GAIN

For 2015 and 2014, sundry gain is as follows:

	2015	2014
Revenues collected (a)	\$ 153,113	\$ 133,458
Housing income (b)	31,974	51,883
Gain on sale of vehicle	4,020	-
Community development income	800	5,926
Others	5,132	12,982
	\$ 195,039	\$ 204,249

(a) Revenues collected represent management fees paid by donors related to projects managed by HAS. The related expenses are recorded in operational expenses.

(b) Housing income represents hosting fees paid by visitors to the hospital.

### 17. CONTINGENT LIABILITIES

As of December 31, 2015, HAS was not party to litigation. According to HAS legal counsels, HAS does not anticipate any litigations that could materially affect its financial situation or the results of its operations.

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## **NOTES TO FINANCIAL STATEMENTS**

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### **18. RELATED PARTY TRANSACTION**

The wife of a member of the Board of Directors (Board) of HAS is on the Board of Swiss Partnerschaft Hôpital Albert Schweitzer Haiti (SPHASH). SPHASH, a non-profit organization, located in Switzerland, contributed a total of \$1,159,996 and \$1,012,492 in 2015 and 2014, respectively, for the support of HAS. These amounts include both cash and donated goods and services. This non-profit expands awareness of the need for health services in Haiti.

The wife of a member of the Board of HAS, who served on the HAS Board through November 2014 as a voting board member and then in 2015 as a non-voting board member, is the President of the Board of Haiti Friends. Haiti Friends, a non-profit organization, contributed \$224,404 in 2015 and \$213,901 in 2014. This non-profit expands awareness of the culture and needs of the Haitian people.

A board member of HAS also serves on the Board of the Canadian Friends of Hôpital Albert Schweitzer Haiti. Canadian Friends of Hôpital Albert Schweitzer Haiti, a non-profit organization, contributed \$80,000 and \$100,000 in 2015 and 2014, respectively to HAS. This non-profit expands awareness of the need for health services in Haiti.

Significant donations are made to HAS by its Board members.

### **19. COMMITMENT**

Under a grant and cooperative agreement with the United States Agency for International Development, HAS is committed to a further disbursement of \$250,000 for the Emergency Room Renovation project classified under investments in progress as described in Note 8.