

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

Financial Statements

Years Ended December 31, 2014 and 2013
with Independent Auditor's Report

MaherDuessel
Certified Public Accountants

Pittsburgh | Harrisburg | Butler

Pursuing the profession while promoting the public good®
www.md-cpas.com

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

YEARS ENDED DECEMBER 31, 2014 AND 2013

TABLE OF CONTENTS

Independent Auditor's Report

Financial Statements:

Statements of Financial Position	1
Statements of Unrestricted Revenues and Expenses	2
Statements of Changes in Net Assets	3
Statements of Cash Flows	4
Notes to Financial Statements	5

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, 2014 and 2013, 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 twenty-six percent in 2014 and twenty-five percent in 2013 of HAS as a whole, and whose total unrestricted support and revenues constitute thirteen percent in 2014 and twenty-four percent in 2013, of the related totals as presented in Note 14. 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.

Basis for Qualified Opinion for 2013

In common with other not-for-profit organizations, HAS derives some revenues in Haiti from fees and non-cash contributions. In 2013, accordingly, the Haitian auditors' audit of these fees and contributions was limited to the amounts recorded in the books of HAS Haiti and they were not able to determine whether adjustments might be necessary to fees, contributions, changes in net assets, and net assets. In 2014, the Haitian auditors determined that any adjustments related to fees and non-cash contributions would not be material to the financial statements and that a qualification is no longer required.

Unmodified Opinion on 2014 and Qualified Opinion for 2013

In our opinion, based on our audits and the report of the other auditors for 2014 and 2013, and except for the possible effect of such adjustments, if any, which the other auditors might have determined to be necessary concerning the completeness of Haitian fees and non-cash contributions for 2013, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of HAS as of December 31, 2014 and 2013, 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.

Maher Duessel

Pittsburgh, Pennsylvania
April 22, 2015

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

STATEMENTS OF FINANCIAL POSITION

YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 1,138,798	\$ 1,143,977
Accounts and contributions receivable (Note 4)	89,028	94,838
Grants receivable (Note 5)	100,530	27,000
Inventories (Note 6)	1,454,178	1,628,618
Security deposit	61,465	27,445
Advances to suppliers and prepaid expenses	49,156	15,264
Total current assets	2,893,155	2,937,142
Non-current assets:		
Investments (Note 7)	10,409,037	10,954,521
Fixed assets (Note 8)	2,439,850	1,933,412
Total non-current assets	12,848,887	12,887,933
Total Assets	\$ 15,742,042	\$ 15,825,075
Liabilities and Net Assets		
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses (Note 9)	\$ 190,631	\$ 147,829
Accrued pension liability - current	20,000	20,000
Total current liabilities	210,631	167,829
Non-current liabilities:		
Deferred gift annuities	-	1,395
Accrued pension liability (Note 10)	98,083	91,000
Total non-current liabilities	98,083	92,395
Total Liabilities	308,714	260,224
Net Assets:		
Unrestricted	11,343,624	11,971,934
Unrestricted, board-designated	2,285,662	2,285,662
Total unrestricted	13,629,286	14,257,596
Temporarily restricted (Note 11)	1,804,042	1,307,255
Total Net Assets	15,433,328	15,564,851
Total Liabilities and Net Assets	\$ 15,742,042	\$ 15,825,075

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, 2014 AND 2013

	2014	2013
Unrestricted Revenues:		
Contributions	\$ 1,743,043	\$ 1,787,197
Fundraising revenue	828,861	359,197
Hospital and community services fees	501,564	497,093
Contributed drugs, supplies, and services	506,088	747,270
Sundry (loss) income	(109,246)	(19,286)
Foreign exchange (loss) gain, net	22,592	14,890
Investment income (loss)	1,688,080	1,254,158
Other	68,139	38,454
	<u>5,249,121</u>	<u>4,678,973</u>
Net unrealized gain (loss) in fair value of investments	(966,068)	632,572
Net assets released from restrictions (Note 11)	2,725,463	2,714,218
Total unrestricted revenues	<u>7,008,516</u>	<u>8,025,763</u>
Expenses:		
Operational expenses:		
Hospital operations (Note 13)	3,746,757	3,738,137
Integrated Community Services	1,366,106	1,286,877
Physical plant	678,276	661,539
Depreciation (Note 8)	319,191	291,649
Total operational expenses	<u>6,110,330</u>	<u>5,978,202</u>
Administrative expenses:		
Hospital and programs administration	368,053	314,119
Foundation administration and fundraising	1,094,072	1,035,553
Pension expense (Note 10)	64,371	66,255
Total administrative expenses	<u>1,526,496</u>	<u>1,415,927</u>
Total expenses (Note 13)	<u>7,636,826</u>	<u>7,394,129</u>
Excess (Deficiency) of Unrestricted Revenues Over Expenses	<u>\$ (628,310)</u>	<u>\$ 631,634</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, 2014 AND 2013

	2014	2013
Unrestricted Net Assets:		
Beginning of year	\$ 14,257,596	\$ 13,625,962
Change in unrestricted net assets	(628,310)	631,634
Balance at end of year	\$ 13,629,286	\$ 14,257,596
Temporarily Restricted Net Assets:		
Beginning of year	\$ 1,307,255	\$ 1,597,296
Contributions during the year	3,222,250	2,424,177
Net assets released from restrictions	(2,725,463)	(2,714,218)
Change in restricted net assets	496,787	(290,041)
Balance at end of year (Note 11)	\$ 1,804,042	\$ 1,307,255
Total Net Assets:		
Beginning of year	\$ 15,564,851	\$ 15,223,258
Change in net assets	(131,523)	341,593
Balance at end of year	\$ 15,433,328	\$ 15,564,851

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Cash Flows From Operating Activities:		
Change in net assets	\$ (131,523)	\$ 341,593
Adjustments to reconcile change in unrestricted net assets to net cash provided by (used in) operating activities:		
Net unrealized (increase) decrease in fair value of investments	966,068	(632,572)
Net realized (gain) loss on sale of investments	(1,553,262)	(1,095,509)
Depreciation (Note 8)	319,191	291,649
Change in:		
Accounts and contributions receivable	5,810	6,435
Grants receivable	(73,530)	3,014
Inventories	174,440	(222,435)
Security deposit	(34,020)	(27,445)
Advances to suppliers and prepaid expenses	(33,892)	24,077
Accounts payable and accrued expenses	42,802	(503,341)
Accrued pension liability - current	-	20,000
Gift annuity liability	(1,395)	(2,849)
Accrued pension liability	7,083	(9,000)
	<u>(312,228)</u>	<u>(1,806,383)</u>
Net cash provided by (used in) operating activities		
Cash Flows From Investing Activities:		
Additions to land, buildings, construction in progress, and equipment (Note 8)	(825,629)	(287,184)
(Purchase) sales of investments, net	1,132,678	1,740,713
	<u>307,049</u>	<u>1,453,529</u>
Net cash provided by (used in) investing activities		
Net Increase (Decrease) in Cash and Cash Equivalents	(5,179)	(352,854)
Cash and Cash Equivalents:		
Beginning of year	1,143,977	1,496,831
End of year (Note 3)	<u>\$ 1,138,798</u>	<u>\$ 1,143,977</u>

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

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.

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

(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.

(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.

(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 temporarily restricted contributions. When

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

used for the intended purposes or time period, those contributions are recorded as net assets released from restrictions.

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.

(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.

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

(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. The forms filed are subject to examination by the IRS generally for three years after they are filed.

(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.

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.

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

(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, 2014 and 2013, 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.

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, 2014 and 2013:

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Cash and cash equivalents	\$ 95,251	\$ 107,949
Accounts and grants receivable	70,852	33,605
Total assets	166,103	141,554
Accounts payable and accrued liabilities	50,991	31,964
Net	\$ 115,112	\$ 109,590

The rates of exchange published by the Central Bank of Haiti as of December 31, 2014 and 2013, respectively, were G 46.7477 and G 43.8820 for one US Dollar. As of December 31, 2014 and 2013, 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 \$2,479 and \$2,462, 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
- 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

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

- Ethical and business standards
- Risk mitigation, including insurance where this is effective

(p) 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>2014</u>	<u>2013</u>
Cash on hand	\$ 7,087	\$ 13,789
Non-interest bearing accounts	799,166	907,914
Interest bearing accounts	<u>332,545</u>	<u>222,274</u>
	<u>\$ 1,138,798</u>	<u>\$ 1,143,977</u>

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 2014 and 2013.

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

	<u>2014</u>	<u>2013</u>
In Haitian Gourdes (as converted to US Dollars)	\$ 95,251	\$ 107,949
In US Dollars	<u>1,043,547</u>	<u>1,036,028</u>
	<u>\$ 1,138,798</u>	<u>\$ 1,143,977</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, 2014 and 2013. At December 31, 2014 and 2013, HAS had bank balances of \$391,834 and \$136,485, respectively, in excess of FDIC insured limits.

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

4. ACCOUNTS AND CONTRIBUTIONS RECEIVABLE

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

	<u>2014</u>	<u>2013</u>
Accounts receivable	\$ 13,224	\$ 20,994
Contributions receivable	<u>75,804</u>	<u>73,844</u>
Total	<u>\$ 89,028</u>	<u>\$ 94,838</u>

All receivables are expected to be collected within one year.

5. GRANTS RECEIVABLE

As of December 31, 2014 and 2013, HAS had grants receivable of \$100,530 and \$27,000, respectively. Receivables are expected to be collected in one year.

6. INVENTORIES

As of December 31, inventories are as follows:

	<u>2014</u>	<u>2013</u>
Pharmaceutical and medical supplies	\$ 1,182,876	\$ 1,349,126
Parts, supplies, and materials	225,758	229,207
Fuel, gas, and oil	<u>45,544</u>	<u>50,285</u>
	<u>\$ 1,454,178</u>	<u>\$ 1,628,618</u>

7. INVESTMENTS

Investments consist of cash investments, money market funds, stocks, mutual funds, and other instruments. The fair market value of the investments as of December 31, 2014 and 2013 is \$10,409,037 and \$10,954,521, respectively.

The total returns on investments and cash equivalents for the years ended December 31, 2014 and 2013 are summarized as follows:

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
	Unrestricted	Unrestricted
Interest on cash and cash equivalents	\$ 168	\$ 19
Interest/dividend income	170,631	197,964
Total interest and dividends	170,799	197,983
Realized gains (losses) on sale of investments	1,553,262	1,092,596
Investment advisor fees	(35,981)	(36,421)
Total investment income (loss)	1,688,080	1,254,158
Unrealized gains (losses)	(966,068)	632,572
Total investment gain (loss) recognized	<u>\$ 722,012</u>	<u>\$ 1,886,730</u>

Fair values of assets measured on a recurring basis as of December 31, 2014 and 2013 are as follows:

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>

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

Description	12/31/13	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	\$ 554,931	\$ 554,931	\$ -	\$ -
Equities - domestic	7,581,845	7,581,845	-	-
Equities - international	341,008	341,008	-	-
Equities - emerging markets	674,099	674,099	-	-
Fixed income - bond funds	1,201,675	1,201,675	-	-
Fixed income - other	191,562	191,562	-	-
Alternative investments - Strategy Fund	354,976	-	354,976	-
Alternative investments - Private Equity	54,425	-	-	54,425
Totals	<u>\$ 10,954,521</u>	<u>\$ 10,545,120</u>	<u>\$ 354,976</u>	<u>\$ 54,425</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.

8. FIXED ASSETS

Fixed assets at cost are stated as follows at December 31, 2014 and 2013:

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

	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>

	Balance as of December 31, 2012	Additions	Transfers	Disposals	Balance as of December 31, 2013
Land	\$ 183,295	\$ -	\$ -	\$ -	\$ 183,295
Buildings	5,581,296	-	-	-	5,581,296
Vehicles	1,075,561	55,986	75,007	(213,393)	993,161
Equipment	1,450,383	85,105	-	-	1,535,488
Computer equipment	342,403	-	-	-	342,403
Generators	322,043	8,429	-	-	330,472
Investments in progress	83,455	137,664	(75,007)	-	146,112
Total fixed assets	<u>\$ 9,038,436</u>	<u>\$ 287,184</u>	<u>\$ -</u>	<u>\$ (213,393)</u>	<u>\$ 9,112,227</u>

During 2014 and 2013, accumulated depreciation is as follows:

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

<u>Accumulated Depreciation</u>	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>

<u>Accumulated Depreciation</u>	Balance as of December 31, 2012	Additions	Disposals	Balance as of December 31, 2013
Buildings	\$ 4,164,246	\$ 162,702	\$ -	\$ 4,326,948
Vehicles	997,360	58,867	(213,393)	842,834
Equipment	1,386,913	35,114	-	1,422,027
Computer equipment	334,376	2,692	-	337,068
Generators	217,664	32,274	-	249,938
Total accumulated depreciation	<u>\$ 7,100,559</u>	<u>\$ 291,649</u>	<u>\$ (213,393)</u>	<u>\$ 7,178,815</u>

9. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	2014	2013
HASUC (a)	\$ 60,653	\$ 49,262
Trade payables	129,978	98,567
	<u>\$ 190,631</u>	<u>\$ 147,829</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.

10. PENSION PLANS

Defined Benefit Pension Plan

During 2014 and 2013, the change in the accrued pension liability was as follows:

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Provision at the beginning of the year	\$ 111,000	\$ 100,000
Benefits paid from the plan	(21,380)	(21,927)
Actuarial loss	28,463	32,927
Provision at the end of the year	<u>\$ 118,083</u>	<u>\$ 111,000</u>
Current portion	\$ 20,000	\$ 20,000
Non-current portion	98,083	91,000
	<u>\$ 118,083</u>	<u>\$ 111,000</u>

Pension expenses for the year (equal to the actuarial loss) was \$28,463 and \$32,927 for 2014 and 2013, respectively.

In 2013, the plan was subjected to an actuarial valuation. In their 2013 report, the actuaries calculated the 2013 periodic benefit cost and projected the 2014 periodic benefit cost. The actuaries used the following components:

- Mortality tables: sex-distinct RP-2000 set forward 15 years with mortality improvement projected to 2020 using scale AA
- Discount rate of 3.4%
- Weighting for benefit payments of 13/24
- Average future life expectancy of 4.90
- Number of participants: 35 in 2014 and 36 in 2013
- Average age of 77.5 in 2014 and 76.5 in 2013

Except for the average age, which has increased to 77.5 in 2014, the other components remained the same.

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 \$35,908 and \$33,328 in 2014 and 2013, respectively. Additionally, for the years ended December 31, 2014 and

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

2013, \$11,298 and \$12,000 was contributed to this plan, respectively, and recorded in hospital administrative expenses.

11. TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2014</u>	<u>2013</u>
Agricultural Services	\$ 22,483	\$ -
Hospital Services	966,387	753,580
Infrastructure	82,779	10,000
Other	452,067	181,493
Primary Health Services	126,614	250,123
Water/Sanitation Services	153,712	112,059
	<u>\$ 1,804,042</u>	<u>\$ 1,307,255</u>

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. For the year ended December 31, 2013, net assets of \$2,714,218 were released from donor restrictions by incurring expenses satisfying the restricted purpose.

12. LEASE

HAS leases its office space in the United States. The expenses relating to this lease for the years ended December 31, 2014 and 2013 were \$36,716 and \$34,284, respectively. Future minimum non-cancelable lease payments are anticipated to be as follows:

2015	\$ 34,146
2016	34,146
2017	34,146
2018	5,691
	<u>\$ 108,129</u>

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

13. EXPENSES

For 2014 and 2013, expenses by nature are as follows:

	2014					
	Haiti Program Services			Institutional Support		Total
	Hospital	Community Health	Community Development	Administration	Fundraising	
Salaries, benefits, and taxes	\$ 2,682,763	\$ 571,328	\$ 145,706	\$ 101,004	\$ 403,203	\$ 3,904,004
Supplies and pharmaceuticals	1,208,787	324,420	96,293	4,609	30,146	1,664,255
Professional services	169,062	384	89	17,232	158,454	345,221
Depreciation	315,787	-	-	3,404	-	319,191
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	122,221	16,003	35,732	69,235	234,838	478,029
	<u>\$ 5,142,850</u>	<u>\$ 986,572</u>	<u>\$ 379,534</u>	<u>\$ 246,336</u>	<u>\$ 881,534</u>	<u>\$ 7,636,826</u>

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

	2013					
	Haiti Program Services			Institutional Support		Total
	Hospital	Community Health	Community Development	Administration	Fundraising	
Salaries, benefits, and taxes	\$ 2,648,011	\$ 574,936	\$ 124,344	\$ 98,372	\$ 358,637	\$ 3,804,300
Supplies and pharmaceuticals	1,237,196	237,062	92,167	4,124	22,677	1,593,226
Professional services	152,820	14,399	8,352	18,230	252,878	446,679
Depreciation	288,489	-	-	3,160	-	291,649
Training and education	699	41,137	19,849	-	1,289	62,974
Transportation and travel	161,049	54,003	75,200	46,563	39,132	375,947
Plant maintenance and electrical power generation	456,634	2,127	96	-	-	458,857
Others	95,662	11,205	32,000	80,008	141,622	360,497
	<u>\$ 5,040,560</u>	<u>\$ 934,869</u>	<u>\$ 352,008</u>	<u>\$ 250,457</u>	<u>\$ 816,235</u>	<u>\$ 7,394,129</u>

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

Hospital operations of \$5,142,850 and \$5,040,560 for 2014 and 2013, 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.

14. GEOGRAPHIC DISTRIBUTIONS

As of December 31, assets are distributed as follows:

	United States		Haiti		Total	
	2014	2013	2014	2013	2014	2013
ASSETS:						
Cash and banks	\$ 973,806	\$ 761,628	\$ 164,992	\$ 382,349	\$ 1,138,798	\$ 1,143,977
Accounts and contributions receivable	75,879	74,442	13,149	20,396	89,028	94,838
Grants receivable	100,530	27,000	-	-	100,530	27,000
Inventories	-	-	1,454,178	1,628,618	1,454,178	1,628,618
Security deposits	3,845	2,845	57,620	24,600	61,465	27,445
Advances and prepaids	45,807	15,264	3,349	-	49,156	15,264
Investments	10,409,037	10,954,521	-	-	10,409,037	10,954,521
Land, buildings, and equipment, net	7,923	8,585	2,431,927	1,924,827	2,439,850	1,933,412
Total	\$ 11,616,827	\$ 11,844,285	\$ 4,125,215	\$ 3,980,790	\$ 15,742,042	\$ 15,825,075
	74%	75%	26%	25%	100%	100%

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

	United States		Haiti		Total	
	2014	2013	2014	2013	2014	2013
UNRESTRICTED REVENUES:						
Contributions	\$ 2,571,904	\$ 2,146,394	\$ -	\$ -	\$ 2,571,904	\$ 2,146,394
Sundry income and sales	-	-	(109,246)	(19,286)	(109,246)	(19,286)
Investment income	1,688,080	1,254,158	-	-	1,688,080	1,254,158
Net unrealized (decline) increase in fair value of investments	(966,068)	632,572	-	-	(966,068)	632,572
Net assets released from restrictions	2,619,319	2,169,573	106,144	544,645	2,725,463	2,714,218
Other	68,139	38,454	1,030,244	1,259,253	1,098,383	1,297,707
Total	\$ 5,981,374	\$ 6,241,151	\$ 1,027,142	\$ 1,784,612	\$ 7,008,516	\$ 8,025,763
	87%	76%	13%	24%	100%	100%

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

15. SUNDRY LOSS

For 2014 and 2013, sundry loss is as follows:

	2014	2013
Overhead revenues collected	\$ 133,458	\$ 125,069
Cost of drugs - pharmacy sales	(307,569)	(205,122)
Housing income (a)	51,883	47,051
Others	12,982	13,716
	\$ (109,246)	\$ (19,286)

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

16. CONTINGENT LIABILITIES

As of December 31, 2014, HAS was party to litigation both against and in favor of HAS. According to HAS legal counsels, to date, the positions taken by HAS are well founded. HAS does not anticipate any eventual settlement of these litigations that could materially affect its financial situation or the results of its operations.

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

17. RELATED PARTY TRANSACTION

The wife of a member of the Board of Directors (Board) of HAS is on the Board of Buendner Partnerschaft Hôpital Albert Schweitzer Haiti (BPHASH). BPHASH, a non-profit organization, located in Switzerland, contributed a total of \$1,000,116 and \$760,175 in 2014 and 2013, respectively, for the support of HAS. This non-profit expands awareness of the need for health services in Haiti.

The wife of a board member of HAS, who served on the HAS board through November 2014, is the President of the Board of Friends of Hôpital Albert Schweitzer (d/b/a Haiti Friends). Haiti Friends, a non-profit organization, contributed \$213,901 and \$154,517 in 2014 and 2013, respectively, to HAS. 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 \$100,000 and \$100,000 in 2014 and 2013, 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.

18. COMMITMENT

Under a grant and cooperative agreement with the United States Agency for International Development, HAS is committed to a further disbursement of \$500,000 for the emergency room renovation project classified under investments in progress as described in Note 8.