

**PROJECT MEDISHARE FOR HAITI, INC.  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2013  
(With Comparative Totals for 2012)**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Project Medishare for Haiti, Inc.  
Miami-Dade County, Florida

**Report on the Financial Statements**

We have audited the accompanying financial statements of Project Medishare for Haiti, Inc., which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities 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 conducted our audits in accordance with auditing standards generally accepted in the United States of America and in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Medishare for Haiti, Inc. as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*L. Brown and Company, P.A.*

L. Brown and Company, P.A.

May 28, 2014

**PROJECT MEDISHARE FOR HAITI, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2013**  
(With Comparative Totals for 2012)

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 803,800	\$ 1,344,884
Restricted cash	-	197,510
Accounts receivable	29,968	43,552
Federal payroll taxes receivable	8,610	-
Loan receivable	21,850	23,100
<b>TOTAL ASSETS</b>	<u>\$ 864,228</u>	<u>\$ 1,609,046</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable & accrued liabilities	\$ 51,099	\$ 82,118
<b>TOTAL LIABILITIES</b>	<u>51,099</u>	<u>82,118</u>
<b>NET ASSETS</b>		
Unrestricted (Note 2)	813,129	1,329,418
Temporarily Restricted (Note 2)	-	197,510
<b>TOTAL NET ASSETS</b>	<u>813,129</u>	<u>1,526,928</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 864,228</u>	<u>\$ 1,609,046</u>

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

**PROJECT MEDISHARE FOR HAITI, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**(With Comparative Totals for 2012)**

	Unrestricted	Temporarily Restricted	2013 Total	2012 Total
<b>REVENUE AND SUPPORT:</b>				
Contributions, gifts, and donations	\$ 1,438,217	\$ 244,458	\$ 1,682,675	\$ 3,370,500
Grants	823,052	-	823,052	3,874,969
Program income	87,403	-	87,403	32,720
Miscellaneous income	2,750	-	2,750	3,000
Donated services & medical supplies	3,337,420	-	3,337,420	1,426,131
Net assets released from restrictions	441,968	(441,968)	-	-
<b>TOTAL REVENUES AND SUPPORT</b>	<b>6,130,810</b>	<b>(197,510)</b>	<b>5,933,300</b>	<b>8,707,320</b>
<b>EXPENSES:</b>				
<b>PROGRAM SERVICES:</b>				
Medical & Nutrition	5,780,195	-	5,780,195	7,646,532
AK 1000 Program	5,000	-	5,000	50,578
Health and Development Projects	754,515	-	754,515	61,463
Total Program Services	6,539,710	-	6,539,710	7,758,573
General Administration	99,235	-	99,235	197,131
Fundraising	8,154	-	8,154	2,175
Total General Administration & Fundraising	107,389	-	107,389	199,306
Total Expenses	6,647,099	0	6,647,099	7,957,879
<b>CHANGES IN NET ASSETS</b>	<b>(516,289)</b>	<b>(197,510)</b>	<b>(713,799)</b>	<b>749,441</b>
<b>NET ASSETS, beginning of year</b>	<b>1,329,418</b>	<b>197,510</b>	<b>1,526,928</b>	<b>777,487</b>
<b>NET ASSETS, end of year</b>	<b>\$ 813,129</b>	<b>\$ -</b>	<b>\$ 813,129</b>	<b>\$ 1,526,928</b>

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

**PROJECT MEDISHARE FOR HAITI, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**(With Comparative Totals for 2012)**

	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (713,799)	\$ 749,441
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Decrease/(Increase) in accounts receivable	13,584	(21,418)
Decrease/(Increase) in federal payroll taxes receivable	(8,610)	-
Decrease/(Increase) in loan receivable	1,250	-
(Decrease)/Increase in account payable	(31,019)	3,969
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>(738,594)</b>	<b>731,992</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Decrease/(Increase) in cash restricted by donors	197,510	570,572
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>197,510</b>	<b>570,572</b>
<b>NET INCREASE IN CASH</b>	(541,084)	1,302,564
CASH, beginning of year	1,344,884	42,320
CASH, end of year	\$ 803,800	\$ 1,344,884
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for interest	\$ -	\$ -

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

**PROJECT MEDISHARE FOR HAITI, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
(With Comparative Totals for 2012)

	Medical	AK 1000 Program	Health & Development	Total Program Services	General & Admin.	Fundraising	2013 Total	2012 Total
\$	206,742	- \$	- \$	206,742 \$	55,000 \$	6,000 \$	267,742 \$	365,093
	2,022,218	-	-	2,022,218	-	-	2,022,218	3,262,761
	2,344,687	-	538,182	2,882,869	-	-	2,882,869	2,730,314
	17,575	-	-	17,575	-	-	17,575	0
	176,292	-	3,078	179,370	1,928	-	179,370	15,621
	-	-	-	-	5,609	-	5,609	9,031
	-	-	-	-	2,116	-	2,116	4,706
	45,700	-	-	45,700	-	-	45,700	38,780
	300,790	-	-	300,790	-	-	300,790	489,438
	34,500	5,000	-	34,500	-	-	34,500	50,578
	373,084	-	-	373,084	7,607	2,154	380,691	2,175
	7,084	-	3,479	10,563	439	-	11,193	15,965
	-	-	-	-	630	-	630	4,613
	-	-	209,776	209,776	5,251	-	209,776	2,000
	251,523	-	0	251,523	20,655	-	272,178	183,711
\$	5,780,195 \$	5,000	754,515 \$	6,539,710 \$	99,235 \$	8,154 \$	6,647,099 \$	7,957,879

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



**PROJECT MEDISHARE FOR HAITI, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**(With Comparative Total for 2012)**

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Project Medishare for Haiti, Inc. (the "Company"), a nonprofit organization, was founded in 1999 to assess the health care situation in Haiti and explore ways to improve the health conditions of the people of Haiti. The organization has forged partnerships with other organizations, physicians, and allied health professionals with a strong belief in social justice and that everyone has a right to quality healthcare.

Project Medishare for Haiti, Inc. is dedicated to sharing its human and technical resources with its Haitian partners in the quest to achieve quality healthcare by committing to rural communities and funding sustainable programs, training Haitian physicians, nurses, and allied healthcare professionals and by providing technology, supplies, and equipment to its clinic and other affiliated programs throughout Haiti.

Project Medishare of Haiti, Inc.'s primary source of funding is contributions from individuals and foundations based on direct appeals and fundraising campaigns. These funds provide logistics and communication, nutritional support, community needs assessment, construction and renovation of facilities for medical services, medical equipment and supplies, surgical specialties program, and medical students trips to Haiti to provide services.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

A summary of significant accounting policies follows. The accompanying financial statements were prepared in accordance with the principles of Financial Accounting Standards Board (FASB) Accounting Standards Codification 958-225-45-1 (formerly SFAS No. 117), "*Financial Statements of Not-for-Profit Organizations*". Under FASB ASC 958-225-45-1, Project Medishare for Haiti, Inc. reports information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, Project Medishare for Haiti, Inc. is required to present a statement of cash flows.

**Unrestricted Net Assets** - represent resources that have met all applicable restrictions and/or resources generated by other sources.

**Temporarily Restricted Net Assets** - represent resources recognized as restricted support until such a time when all associated restrictions have been met.

**PROJECT MEDISHARE FOR HAITI, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013  
(With Comparative Total for 2012)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Presentation (continued)

**Permanently Restricted Net Assets** - represent resources that contain a stipulation that permanently restricts the use of such funds, but allows earnings from the funds to be used in a certain manner.

At December 31, 2013, Project Medishare for Haiti, Inc. had \$833,784 in unrestricted net assets. At December 31, 2012, the Company had \$1,329,418 in unrestricted net assets and \$197,510 in temporarily restricted net assets.

Project Medishare for Haiti, Inc. reports its contributions in accordance with FASB ASC 958-605-50-1 (formerly SFAS No. 116) "Accounting for Contributions Received and Contributions Made." In accordance with FASB ASC 958-605-50-1, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or the nature of any donor restrictions. Under FASB ASC 958-605-50-1, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction or compliance with the purpose restriction.

Cash and Cash Equivalents

Project Medishare for Haiti, Inc. considers cash on hand, cash held in banks, and certificates of deposit with original maturities of 90 days or less to be cash and cash equivalents.

Restrictions on Cash

The use of contributions that are restricted pursuant to agreements executed by Project Medishare for Haiti, Inc. may only be used as stipulated in the agreements.

Support and Revenue

Project Medishare for Haiti, Inc.'s major source of support and revenue consists of contributions. In accordance with FASB ASC 958-605-50-1, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

**PROJECT MEDISHARE FOR HAITI, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**(With Comparative Total for 2012)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Use of Estimates.

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Values of Financial Instruments

Project Medishare for Haiti, Inc. assumed that the carrying amount of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate fair value because of the short maturities of these instruments.

Income Taxes

Project Medishare for Haiti, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code pursuant to is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is provided for in the accompanying financial statements.

Fixed Assets

Property, furniture, and equipment are valued at historical cost. Donations of property and equipment are recorded as contributions at estimated fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Project Medishare for Haiti, Inc. capitalizes all expenditures for fixed assets in excess of \$500.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and support services on the basis of expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Project Medishare for Haiti, Inc.

**PROJECT MEDISHARE FOR HAITI, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013  
(With Comparative Total for 2012)**

**NOTE 3 – DONATED MATERIALS, SUPPLIES, AND SERVICES**

Project Medishare for Haiti, Inc. records the fair market value of donated goods, if any, when there is an objective basis available to measure their value. At December 31, 2013 and 2012, the Company received \$3,337,420 and \$1,426,131, respectively, in donated medical materials, equipment, and supplies.

The value of donated volunteer time is not reflected in the financial statements because the criteria for recognition under FASB ASC 958-605-50-1 have not been satisfied. The organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the organization with specific programs. The Company received volunteer hours from more than 1,400 individuals.

**NOTE 4 – PROPERTY, FURNITURE & EQUIPMENT**

The following is a classification of property and equipment:

**2013**

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Automobiles	\$80,801	\$80,801
Furniture	19,000	19,000
Medical equipment	<u>30,870</u>	<u>30,870</u>
Total	<u>\$130,671</u>	<u>\$130,671</u>

**2012**

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Automobiles	\$80,801	\$80,801
Furniture	19,000	19,000
Medical equipment	<u>30,870</u>	<u>30,870</u>
Total	<u>\$130,671</u>	<u>\$130,671</u>

Depreciation expense for the years ended December 31, 2013 and 2012 was \$0.

**PROJECT MEDISHARE FOR HAITI, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**(With Comparative Total for 2012)**

**NOTE 6 – RELATED PARTY TRANSACTION**

Project Medishare for Haiti, Inc. has uncollateralized demand note receivable, of \$21,850, due from a member of the Board of Directors at December 31, 2013. The note bears interest at 0% per quarter and is guaranteed by Dr. Michel Dodard. This note is classified as loan receivable in the accompanying financial statements and is outstanding at December 31, 2013. No allowance for bad debt has been recognized at year-end.

**NOTE 7 – CONCENTRATION OF CREDIT RISK**

Project Medishare for Haiti, Inc. maintains its cash accounts at various financial institutions. The balances, at times, may exceed federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per insured bank for each account ownership category. At December 31, 2013 and 2012, the organization had \$552,355 and \$1,292,394, respectively, in excess of FDIC insured amount at one financial institution.

**NOTE 8 - COMPENSATED ABSENCES**

Employees are entitled to paid vacation and sick days depending on length of service. Project Medishare for Haiti, Inc.'s policy is to recognize the cost of vacation days when earned by the employees. The current policy is that vacation days not used during the calendar year are forfeited. The value of unused vacation days was determined to be immaterial and therefore no accrual has been made.