

**PROJECT MEDISHARE FOR HAITI, INC.
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2017
(With Comparative Totals for 2016)**

**L. BROWN AND COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS**

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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, 2017 and 2016, and the related statements of activities, functional expenses, 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. 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, 2017 and 2016, 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.

June 6, 2018

PROJECT MEDISHARE FOR HAITI, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2017
(With Comparative Totals for 2016)

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 1,996,198	\$ 2,407,904
Accounts receivable	-	13,050
Inventory	-	39,762
TOTAL ASSETS	<u>\$ 1,996,198</u>	<u>\$ 2,460,716</u>
 LIABILITIES AND NET ASSETS 		
LIABILITIES		
Accounts payable & accrued liabilities	\$ <u>18,009</u>	\$ <u>23,509</u>
TOTAL LIABILITIES	<u>18,009</u>	<u>23,509</u>
 NET ASSETS		
Unrestricted (Note 2)	1,978,189	1,141,343
Temporarily Restricted (Note 2)	<u>-</u>	<u>1,295,864</u>
TOTAL NET ASSETS	<u>1,978,189</u>	<u>2,437,207</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,996,198</u>	<u>\$ 2,460,716</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, 2017
(With Comparative Totals for 2016)

	Unrestricted	Temporarily Restricted	2017 Total	2016 Total
REVENUE AND SUPPORT:				
Contributions, gifts, and donations	\$ 395,422	\$ -	\$ 395,422	\$ 817,080
Grants	-	2,362,064	2,362,064	2,893,442
Program income	662,297	-	662,297	830,386
Donated services & medical supplies	-	-	-	75,000
Net assets released from restrictions	3,657,928	(3,657,928)	-	-
TOTAL REVENUES AND SUPPORT	<u>4,715,647</u>	<u>(1,295,864)</u>	<u>3,419,783</u>	<u>4,615,908</u>
EXPENSES:				
PROGRAM SERVICES:				
Medical & Nutrition	2,433,715	-	2,433,715	1,889,659
Health and Development Projects	1,042,898	-	1,042,898	792,225
Total Program Services	<u>3,476,613</u>	<u>-</u>	<u>3,476,613</u>	<u>2,681,884</u>
General Administration	325,153	-	325,153	506,166
Fundraising	77,035	-	77,035	89,423
Total General Administration & Fundraising	<u>402,188</u>	<u>-</u>	<u>402,188</u>	<u>595,589</u>
Total Expenses	<u>3,878,801</u>	<u>-</u>	<u>3,878,801</u>	<u>3,277,473</u>
CHANGES IN NET ASSETS	836,846	(1,295,864)	(459,018)	1,338,435
NET ASSETS, beginning of year	<u>1,141,343</u>	<u>1,295,864</u>	<u>2,437,207</u>	<u>1,098,772</u>
NET ASSETS, end of year	<u>\$ 1,978,189</u>	<u>\$ -</u>	<u>\$ 1,978,189</u>	<u>\$ 2,437,207</u>

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, 2017
(With Comparative Totals for 2016)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (459,018)	\$ 1,338,435
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Decrease/(Increase) in accounts receivable	13,050	(2,433)
Decrease/(Increase) in federal payroll taxes receivable	0	6,752
Decrease/(Increase) in loan receivable	0	18,100
Decrease/(Increase) in inventory	39,762	(18,363)
(Decrease)/Increase in account payable	(5,500)	(40,763)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(411,706)	1,301,728
CASH FLOWS FROM INVESTING ACTIVITIES:		
NET CASH USED BY INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease/(Increase) in cash restricted by donors	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-
NET INCREASE IN CASH	(411,706)	1,301,728
CASH, beginning of year	2,407,904	1,106,176
CASH, end of year	\$ 1,996,198	\$ 2,407,904
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
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, 2017
(With Comparative Totals for 2016)

	Medical	Health & Development	Total Program Services	General & Admin.	Fundraising	2017 Total	2016 Total
Salary and related expenses	\$ -	\$ 223,906	\$ 223,906	\$ 123,791	\$ 65,979	\$ 413,676	\$ 367,953
Contract services	105,500	18,496	123,996	6,599	-	130,595	264,564
Materials, medical supplies, and other program expenses	1,476,868	652,453	2,129,321	43,236	-	2,172,557	2,119,632
Renovation & repair	780,147	118,700	898,847	-	-	898,847	84,245
Bank service charge and Processing Fees	-	150	150	12,988	-	13,138	18,395
Computer and computer related expenses	374	-	374	704	-	1,078	39,562
Office supplies	1,513	-	1,513	4,396	-	5,909	10,028
Rent	-	-	-	7,500	-	7,500	26,250
Professional fees	-	-	-	7,000	-	7,000	7,000
Fundraising expenses	-	-	-	-	11,056	11,056	13,515
Travel, shipping, and related expenses	11,508	27,521	39,029	17,655	-	56,684	165,469
Utility and telephone	-	-	-	6,074	-	6,074	11,220
Postage and delivery	-	73	73	810	-	883	753
Support services	57,805	1,580	59,385	38,246	-	97,631	96,160
Insurance	-	-	-	46,460	-	46,460	41,517
Other expenses	-	19	19	9,694	-	9,713	11,210
Total Functional Expenses	\$ 2,433,715	\$ 1,042,898	\$ 3,476,613	\$ 325,153	\$ 77,035	\$ 3,878,801	\$ 3,277,473

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, 2017
(With Comparative Total for 2016)

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, 2017
(With Comparative Total for 2016)**

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, 2017, Project Medishare for Haiti, Inc. had \$1,978,189 in unrestricted net assets. At December 31, 2016, the Company had \$1,141,343 in unrestricted net assets and \$1,295,864 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.

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.

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.

**PROJECT MEDISHARE FOR HAITI, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Total for 2016)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2017 and 2016, the Company received \$-0- and \$75,000, respectively, in donated medical materials, equipment, and supplies.

**PROJECT MEDISHARE FOR HAITI, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Total for 2016)**

NOTE 3 – DONATED MATERIALS, SUPPLIES, AND SERVICES (continued)

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 572 in 2017 and 558 individuals in 2016.

NOTE 4 – PROPERTY, FURNITURE & EQUIPMENT

The following is a classification of property and equipment:

2017

	<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>

2016

	<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, 2017 and 2016 was \$0.

PROJECT MEDISHARE FOR HAITI, INC.
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NOTE 6 – CONCENTRATION OF CREDIT RISK

Project Medishare for Haiti, Inc. maintains its cash account at a financial institutions. The balance, at times, may exceed federally insured limits. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000 per insured bank for each account ownership category. At December 31, 2017 and 2016, the organization had \$1,746,198 and \$2,157,904, respectively, in excess of FDIC insured amount at one financial institution.

NOTE 7 – COMMITMENTS

The costs and unexpended funds reflected in the accompanying financial statements relating to donor funding are subject to audit by the respective grantors. The possible disallowance by the funding source of any item charged to the program or request for return of any unexpended funds cannot be determined at this time. No provision for any liability is necessary at year-end, December 31, 2017 and 2016 and none has been made in the financial statements.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The costs and unexpended funds reflected in the accompanying financial statements relating to grant funded programs are subject to audit by the respective funding agencies (funding source). The possible disallowance by the funding agencies of any item charged to the program or request for the return of any unexpended funds cannot be determined at this time. No provision, for any liability that may result, has been made in the financial statements.

Project Medishare for Haiti, Inc. receives grants from various private organizations that required compliance with certain provisions stated in their instrument of grant. Failure to comply with these provisions could result in the return of funds to the grantor. Although this is a possibility, the management deems the contingency remote since, in management’s opinion, Project Medishare for Haiti, Inc. has fully complied with the provisions of the grant.

NOTE 9 - 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.

**PROJECT MEDISHARE FOR HAITI, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Total for 2016)**

NOTE 10 – INVENTORY

Project Medishare for Haiti, Inc. records inventory at cost.