

The CRUDEM Foundation, Inc.

Financial Statements

December 31, 2008

(With Comparative Totals for December 31, 2007)

The CRUDEM Foundation, Inc.

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Lawrence B. Green
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Independent Auditor's Report

The Board of Directors The CRUDEM Foundation, Inc.

We have audited the accompanying statement of financial position of The CRUDEM Foundation, Inc. ("CRUDEM"), (a nonprofit organization) as of December 31, 2008, and the related statements of activities and net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from CRUDEM's 2007 financial statements and, in our report dated July 3, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The CRUDEM Foundation, Inc. as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Houghton & Socha, P.C.

Springfield, Massachusetts
June 3, 2009

The CRUDEM Foundation, Inc.
Statements of Financial Position
As of December 31, 2008
(With Comparative Totals for the Year Ended December 31, 2007)

	<u>2008</u>	<u>2007</u>
ASSETS		
Current Assets		
Cash	\$ 417,426	\$ 532,181
Investments	112,414	153,420
	529,840	685,601
Total Current Assets		
Long-term Investments	10,000	10,000
	539,840	695,601
Total Assets	\$ 539,840	\$ 695,601
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 3,506	\$ 50,697
	3,506	50,697
Total Current Liabilities		
Net Assets		
Unrestricted Net Assets	324,569	382,672
Temporarily Restricted Net Assets	201,765	252,232
Permanently Restricted Net Assets	10,000	10,000
	536,334	644,904
Total Net Assets		
Total Liabilities and Net Assets	\$ 539,840	\$ 695,601

See accompanying notes to the financial statements.

The CRUDEM Foundation, Inc.
Statements of Activities and Net Assets
For The Year Ended December 31, 2008
(With Comparative Totals for the Year Ended December 31, 2007)

	2008			2007
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
SUPPORT AND REVENUES				
Contributions	\$ 870,714	\$ 321,969	\$ -	\$ 1,192,683
Special Event Income, net of related expenses of \$16,859	96,235	-	-	96,235
Investment Income	(38,082)	-	-	(38,082)
Other Income	32,327	-	-	32,327
Net Assets Released from Restriction	372,436	(372,436)	-	-
Total Support and Revenue	1,333,630	(50,467)	-	1,283,163
PROGRAM EXPENSES				
Hospital Expenses	1,106,439	-	-	1,106,439
Other Program Expenses	124,388	-	-	124,388
Total Program Expenses	1,230,827	-	-	1,230,827
SUPPORTING SERVICES				
Management and General Fundraising	65,339	-	-	65,339
	95,567	-	-	95,567
Total Supporting Services	160,906	-	-	160,906
Total Expenses	1,391,733	-	-	1,391,733
Change in Net Assets	(58,103)	(50,467)	-	(108,570)
NET ASSETS				
Beginning of Year	382,672	252,232	10,000	644,904
End of Year	\$ 324,569	\$ 201,765	\$ 10,000	\$ 536,334
	\$ 1,277,265	\$ 1,192,683	\$ 1,351,620	\$ 1,277,265
	31,613	31,313	11,429	1,017,402
	31,313	11,429	-	61,602
	11,429	-	-	1,079,004
	47,917	89,893	134,806	510,098
	89,893	134,806	-	644,904
	134,806	-	-	536,334
	1,216,814	1,391,733	-	1,216,814
	134,806	(108,570)	-	134,806
	510,098	644,904	10,000	510,098
	644,904	536,334	10,000	644,904

See accompanying notes to the financial statements.

The CRUDEM Foundation, Inc.
Statements of Functional Expenses
For the Year Ended December 31, 2008
(With Comparative Totals for the Year Ended December 31, 2007)

2008

	PROGRAM	MANAGEMENT AND GENERAL	FUND RAISING	TOTALS	2007 TOTALS
Hospital Expenses	\$ 1,106,439	\$ -	\$ -	\$ 1,106,439	\$ 1,017,218
Salaries and Related Expenses	21,393	21,393	42,786	85,572	98,966
Professional Fees	28,333	24,745	29,167	82,245	49,345
Travel and Meetings	4,390	2,202	-	6,592	5,918
Printing and Copying	4,841	4,841	9,683	19,365	18,463
Office Expenses	6,694	6,694	13,388	26,776	17,820
Equipment and Maintenance	55,772	271	543	56,586	1,284
Insurance	2,965	-	-	2,965	5,012
Other	-	5,193	-	5,193	2,604
Total Expenses	\$ 1,230,827	\$ 65,339	\$ 95,567	\$ 1,391,733	\$ 1,216,630

See accompanying notes to the financial statements.

The CRUDEM Foundation, Inc.
Statements of Cash Flows
For the Year Ended December 31, 2008
(With Comparative Totals for the Year Ended December 31, 2007)

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (108,570)	\$ 134,806
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Realized and Unrealized (Gains) Losses	49,160	(22,678)
Donated Securities	(73,405)	(106,059)
Changes in Operating Assets and Liabilities		
Other Assets	-	490
Accounts Payable and Accrued Expenses	(47,191)	35,414
	<u>(180,006)</u>	<u>41,973</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(72,886)	(21,710)
Sale of Investments	138,137	235,638
	<u>65,251</u>	<u>213,928</u>
Net Cash Provided by (Used in) Investing Activities	65,251	213,928
Net Change in Cash and Cash Equivalents	(114,755)	255,901
CASH AND CASH EQUIVALENTS		
Beginning of Year	532,181	276,280
End of Year	<u>\$ 417,426</u>	<u>\$ 532,181</u>

See accompanying notes to the financial statements.

The CRUDEM Foundation, Inc.

Notes to Financial Statements

1. Nature of Activities

The CRUDEM Foundation, Inc. ("CRUDEM") is a not-for-profit organization whose mission is to provide support for accessible health care and medical services to the poor. It does this through fund raising for Hôpital Sacré Coeur located in Milot, Haiti. Hôpital Sacré Coeur has responsibility for all public health services to the 225,000 people of this northern region of Haiti regardless of religion, economic status, or disease state. CRUDEM is responsible for all fundraising for hospital and general operations, for medical and non-medical volunteer recruitment, and for strategic planning. CRUDEM also identifies and solicits donated supplies, medicines, and equipment for use by the hospital. CRUDEM was incorporated on November 23, 1993.

2. Summary of Significant Accounting Policies

Basis of Presentation

Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, CRUDEM's net assets are classified as permanently restricted, temporarily restricted or unrestricted.

Income Taxes

CRUDEM is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation.

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.

Cash and Cash Equivalents

CRUDEM considers all highly liquid investments with a maturity of three months or less, at the time of purchase, to be cash equivalents.

Investments

Investments in marketable securities and all debt securities are reported at their fair values in the statements of financial position based upon quoted market prices. Unrealized gains and losses are included in the change in net assets in the statements of activities.

The CRUDEM Foundation, Inc.

Notes to Financial Statements

2. Summary of Significant Accounting Policies (*continued*)

Contributions

Contributions are recorded in the statements of activities when unconditionally promised. Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair value at the date of donation. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

A substantial number of volunteers have contributed their time to CRUDEM's programs and supporting services and CRUDEM also received other contributed goods during 2008. None of these goods and services meets the requirements for financial statement recognition.

Contributed Supplies and Equipment

CRUDEM collects supplies and equipment as an agent for the hospital in Milot, Haiti. Since these supplies and equipment are passed to the hospital at the request of the donor, the value of the donated supplies and equipment is not included in the statements of activities. For the years ended December 31, 2008 and 2007, the total value of supplies and equipment was \$9,769,977 and \$2,992,570, respectively. Included in these amounts are items directly contributed from AmeriCares to the hospital in the amounts of \$ 8,723,605 and \$ 2,199,455 for the years ended December 31, 2008 and 2007, respectively.

Contributed Services

CRUDEM recruits volunteer medical staff to help assist the Haitian medical staff provide both primary and specialty medical care. The value of the donated services by volunteer medical and non-medical staff is not included in these financial statements as those services are donated directly to the hospital in Haiti. For the years ended December 31, 2008 and 2007, the value for donated medical services totaled \$559,757 and \$275,675, respectively.

Functional Expenses

CRUDEM allocates its expenses on a functional basis among its program and supporting services. Expenses that can be specifically identified with a program or support service are allocated directly according to their natural classifications. Other expenses that are common to several functions are allocated based on estimates made by management.

3. Reclassifications

Certain items in the financial statements for 2007 have been reclassified to conform to the current year presentation. Such reclassification had no effect on change in net assets.

The CRUDEM Foundation, Inc.

Notes to Financial Statements

4. Concentration of Credit Risk

Financial instruments that potentially subject CRUDEM to concentrations of credit risk consist principally of cash and cash equivalents and investment accounts. At times, cash balances may be in excess of balances insured by the Federal Deposit Insurance Corporation. Management believes that CRUDEM is not exposed to any significant credit risk.

5. Investments

Investments consist of the following at December 31, 2008:

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Equity securities	\$ 72,414	\$ 56,494	\$ 56,494
Equity mutual funds	30,776	20,087	20,087
Fixed income mutual funds	22,678	19,311	19,311
Money market funds	26,522	26,522	26,522
	<u>\$ 152,390</u>	<u>\$ 122,414</u>	<u>\$ 122,414</u>

Investments consist of the following at December 31, 2007:

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Equity securities	\$ 8,001	\$ 8,019	\$ 8,019
Equity mutual funds	102,805	111,237	111,237
Fixed income mutual funds	43,153	43,533	43,533
Money market funds	631	631	631
	<u>\$ 154,590</u>	<u>\$ 163,420</u>	<u>\$ 163,420</u>

Investment return, including interest on cash accounts, is summarized as follows for the years ended December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Interest and dividend income	\$ 11,078	\$ 8,634
Net realized and unrealized gains	(49,160)	22,679
	<u>\$ (38,082)</u>	<u>\$ 31,313</u>

Investment fees for the years ended December 31, 2008 and 2007 were \$2,027 and \$2,500, respectively.

The CRUDEM Foundation, Inc.

Notes to Financial Statements

6. Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Major improvements and repairs	\$ -	\$ 20,834
Land purchase	129,797	179,797
Mobile clinic medicines	-	20,000
Primary care	-	13,627
Transportation	16,826	16,724
Vehicle purchases	31,580	-
Food	10,100	-
Education - McGuinness Fund	8,492	-
Pediatricians and surgeons	5,000	1,250
	<u>\$ 201,765</u>	<u>\$ 252,232</u>

Permanently restricted net assets consist of the following at December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Endowment	<u>\$ 10,000</u>	<u>\$ 10,000</u>

Net assets released from restrictions and disbursed during the year ended December 31, 2008 and 2007 consist of the following:

	<u>2008</u>	<u>2007</u>
Major improvements and repairs	\$ 151,366	\$ 109,409
Land purchase	60,000	12,000
Mobile clinic medicines	45,000	20,000
Primary care	-	57,306
Transportation	3,200	-
Vehicle purchases	55,308	-
Food	14,974	-
Pediatricians and surgeons	42,588	25,000
	<u>\$ 372,436</u>	<u>\$ 223,715</u>