

The CRUDEM Foundation, Inc.

Financial Statements

December 31, 2009

(With Comparative Totals for December 31, 2008)

The CRUDEM Foundation, Inc.

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Kenneth P. Socha, CPA
Managing Director

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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, 2009, 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 2008 financial statements and, in our report dated June 3, 2009, 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, 2009, 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 10, 2010

The CRUDEM Foundation, Inc.
Statements of Financial Position
As of December 31, 2009
(With Comparative Totals for the Year Ended December 31, 2008)

	<u>2009</u>	<u>2008</u>
ASSETS		
Current Assets		
Cash	\$ 428,986	\$ 417,426
Investments	8,649	112,414
Total Current Assets	<u>437,635</u>	<u>529,840</u>
Long-term Investments	-	10,000
Total Assets	<u>\$ 437,635</u>	<u>\$ 539,840</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 7,017	\$ 3,506
Total Current Liabilities	<u>7,017</u>	<u>3,506</u>
Net Assets		
Unrestricted Net Assets	231,429	324,569
Temporarily Restricted Net Assets	189,189	201,765
Permanently Restricted Net Assets	10,000	10,000
Total Net Assets	<u>430,618</u>	<u>536,334</u>
Total Liabilities and Net Assets	<u>\$ 437,635</u>	<u>\$ 539,840</u>

See accompanying notes to the financial statements.

The CRUDEM Foundation, Inc.
Statements of Activities and Net Assets
For The Year Ended December 31, 2009
(With Comparative Totals for the Year Ended December 31, 2008)

	2009				2008
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	TOTAL
SUPPORT AND REVENUES					
Contributions	\$ 926,573	\$ 188,739	\$ -	\$ 1,115,312	\$ 1,192,683
Special Event Income, net of related expenses of \$16,859	99,855	-	-	99,855	96,235
Investment Income	17,103	-	-	17,103	(38,082)
Other Income	11,576	-	-	11,576	32,327
Net Assets Released from Restriction	201,315	(201,315)	-	-	-
Total Support and Revenue	<u>1,256,422</u>	<u>(12,576)</u>	<u>-</u>	<u>1,243,846</u>	<u>1,283,163</u>
PROGRAM EXPENSES					
Hospital Expenses	998,962	-	-	998,962	1,106,439
Other Program Expenses	64,749	-	-	64,749	124,388
Total Program Expenses	<u>1,063,711</u>	<u>-</u>	<u>-</u>	<u>1,063,711</u>	<u>1,230,827</u>
SUPPORTING SERVICES					
Management and General Fundraising	95,419	-	-	95,419	65,339
	190,432	-	-	190,432	95,567
Total Supporting Services	<u>285,851</u>	<u>-</u>	<u>-</u>	<u>285,851</u>	<u>160,906</u>
Total Expenses	<u>1,349,562</u>	<u>-</u>	<u>-</u>	<u>1,349,562</u>	<u>1,391,733</u>
Change in Net Assets	<u>(93,140)</u>	<u>(12,576)</u>	<u>-</u>	<u>(105,716)</u>	<u>(108,570)</u>
NET ASSETS					
Beginning of Year	324,569	201,765	10,000	536,334	644,904
End of Year	<u>\$ 231,429</u>	<u>\$ 189,189</u>	<u>\$ 10,000</u>	<u>\$ 430,618</u>	<u>\$ 536,334</u>

See accompanying notes to the financial statements.

The CRUDEM Foundation, Inc.
Statements of Functional Expenses
For the Year Ended December 31, 2009
(With Comparative Totals for the Year Ended December 31, 2008)

	2009				2008
	PROGRAM	MANAGEMENT AND GENERAL	FUND RAISING	TOTALS	TOTALS
Hospital Expenses	\$ 998,962	-	-	\$ 998,962	\$ 1,106,439
Salaries and Related Expenses	5,000	24,415	43,831	73,246	85,572
Professional Fees	30,317	30,317	100,353	160,987	82,245
Travel and Meetings	-	4,089	-	4,089	6,592
Printing and Copying	5,359	5,359	10,717	21,435	19,365
Office Expenses	17,766	17,766	35,531	71,063	26,776
Equipment and Maintenance	-	12,387	-	12,387	56,586
Insurance	807	-	-	807	2,965
Other	5,500	1,086	-	6,586	5,193
Total Expenses	\$ 1,063,711	\$ 95,419	\$ 190,432	\$ 1,349,562	\$ 1,391,733

See accompanying notes to the financial statements.

The CRUDEM Foundation, Inc.
Statements of Cash Flows
For the Year Ended December 31, 2009
(With Comparative Totals for the Year Ended December 31, 2008)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (105,716)	\$ (108,570)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Realized and Unrealized (Gains) Losses	(13,240)	49,160
Donated Securities	-	(73,405)
Changes in Operating Assets and Liabilities		
Accounts Payable and Accrued Expenses	3,512	(47,191)
	(115,444)	(180,006)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(118,472)	(72,886)
Sale of Investments	245,476	138,137
	127,004	65,251
Net Cash Provided by (Used in) Investing Activities	127,004	65,251
Net Change in Cash and Cash Equivalents	11,560	(114,755)
CASH AND CASH EQUIVALENTS		
Beginning of Year	417,426	532,181
End of Year	\$ 428,986	\$ 417,426

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, 2009 and 2008, the total value of supplies and equipment was \$1,320,112 and \$9,769,977, respectively. Included in the amount for 2009 and 2008 are items directly contributed from AmeriCares to the hospital in the amounts \$987,174 and \$ 8,723,605, 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, 2009 and 2008, the value for donated medical services totaled \$781,055 and \$559,757, 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 2008 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. Uninsured amounts for 2009 and 2008 were \$127,550 and \$87,147, respectively.

5. Investments

Investments consist of the following at December 31, 2009:

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Equity securities	<u>\$ 8,981</u>	<u>\$ 8,649</u>	<u>\$ 8,649</u>

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>

Investment return, including interest on cash accounts, is summarized as follows for the years ended December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Interest and dividend income	\$ 3,863	\$ 11,078
Net realized and unrealized gains	<u>13,240</u>	<u>(49,160)</u>
	<u>\$ 17,103</u>	<u>\$ (38,082)</u>

Investment fees for the years ended December 31, 2009 and 2008 were \$733 and \$2,027, 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, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Major Repairs and improvements	\$ 131,132	\$ -
Land purchase	29,797	129,797
Pediatricians and surgeons	8,000	5,000
Transportation	13,550	31,580
Maternity services	5,000	-
Education - McGuinness Fund	1,710	8,462
Vehicle Purchases	-	16,826
Food	-	10,100
	<u>\$ 189,189</u>	<u>\$ 201,765</u>

Permanently restricted net assets consist of the following at December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Endowment	<u>\$ 10,000</u>	<u>\$ 10,000</u>

Net assets released from restrictions and disbursed during the year ended December 31, 2009 and 2008 consist of the following:

	<u>2009</u>	<u>2008</u>
Major improvements and repairs	\$ 105,783	\$ 151,366
Land purchase*	-	60,000
Mobile clinic medicines	-	45,000
Transportation	2,357	3,200
Vehicles purchased	31,580	55,308
Mission House	500	-
Marketing and promotion	15,243	-
Lab supplies	11,000	-
Education - McGuinness Fund	6,752	-
Food	15,100	14,974
Pediatricians and surgeons	<u>12,500</u>	<u>42,588</u>
	<u>\$ 201,315</u>	<u>\$ 372,436</u>

* \$100,000 was transferred from land purchase to major improvements and repairs.

The CRUDEM Foundation, Inc.

Notes to Financial Statements

7. Subsequent Events

The Organization has performed an evaluation of subsequent events through June 3, 2010, which is the date the organization's financial statements were issued. No subsequent events, other than the items discussed below, have occurred since December 31, 2009 that required recognition or disclosure in these financial statements.

On January 12, 2010 a devastating earthquake occurred, that leveled Port-au-Prince and much of the surrounding area. The Hôpital Sacré Coeur was virtually untouched by the direct effects of the earthquake. That being the case, as well as, one of only a few hospitals that survived the earthquake, Hôpital Sacré Coeur became the destination of many of the more seriously injured through helicopter and ambulance evacuation. The hospital grew quickly from 64 beds to 420 beds. This most likely will be an ongoing situation for several years. As a result of this catastrophe and the U.S. Government allowing a deduction on the 2009 tax return for amounts donated to Haiti through April 1, 2010, support, in the form of contributions, in the first five months of 2010 to the Organization is almost three times the amount of the whole year of 2009. Also, the Organization has spent almost four times the support normally allotted on a monthly basis.

Because of the above, the hospital will have to expand to be a 150 to 200 bed facility. The additional capital investment required will be approximately \$2 million and a 100% increase in the operating budget. These amounts do not include the annual operating costs associated with the newly established prosthetics labs, which are estimated at \$300,000. It is estimated that the annual operating budget, post earthquake will be approximately \$4 million.