

The CRUDEM Foundation, Inc.

Financial Statements

December 31, 2010

(With Comparative Totals for December 31, 2009)

The CRUDEM Foundation, Inc.

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Kenneth P. Socha, CPA
Managing Director

Edward J. Grzelak, CPA

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

Socha & Grzelak, P.C.

Springfield, Massachusetts
August 3, 2011

The CRUDEM Foundation, Inc.
Statements of Financial Position
As of December 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)

	<u>2010</u>	<u>2009</u>
ASSETS		
Current Assets		
Cash	\$ 1,836,911	\$ 428,986
Investment Account	121,938	8,649
Total Current Assets	1,958,849	437,635
Total Assets	\$ 1,958,849	\$ 437,635
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 10,121	\$ 7,017
Total Current Liabilities	10,121	7,017
Net Assets		
Unrestricted Net Assets	1,053,676	231,429
Temporarily Restricted Net Assets	885,052	189,189
Permanently Restricted Net Assets	10,000	10,000
Total Net Assets	1,948,728	430,618
Total Liabilities and Net Assets	\$ 1,958,849	\$ 437,635

See accompanying notes to the financial statements.

The CRUDEM Foundation, Inc.
Statements of Activities and Net Assets
For The Year Ended December 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)

2010

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	2009 TOTAL
SUPPORT AND REVENUES					
Contributions	\$ 2,520,507	\$ 2,473,444	\$ -	\$ 4,993,951	\$ 1,115,312
Special Event Income, net of related expenses of \$20,942	74,336	-	-	74,336	99,855
Investment Income	15,278	-	-	15,278	17,103
Other Income	198	-	-	198	11,576
Net Assets Released from Restriction	1,777,581	(1,777,581)	-	-	-
Total Support and Revenue	4,387,900	695,863	-	5,083,763	1,243,846
PROGRAM EXPENSES					
Hospital Expenses	2,891,614	-	-	2,891,614	998,962
Other Program Expenses	141,728	-	-	141,728	64,749
Total Program Expenses	3,033,342	-	-	3,033,342	1,063,711
SUPPORTING SERVICES					
Management and General Fundraising	239,402	-	-	239,402	95,419
Total Supporting Services	292,909	-	-	292,909	190,432
Total Expenses	532,311	-	-	532,311	285,851
Total Expenses	3,565,653	-	-	3,565,653	1,349,562
Change in Net Assets	822,247	695,863	-	1,518,110	(105,716)
NET ASSETS					
Beginning of Year	231,429	189,189	10,000	430,618	536,334
End of Year	\$ 1,053,676	\$ 885,052	\$ 10,000	\$ 1,948,728	\$ 430,618

See accompanying notes to the financial statements.

The CRUDEM Foundation, Inc.
Statements of Functional Expenses
For the Year Ended December 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)

2010

	MANAGEMENT AND GENERAL			FUND RAISING		2009 TOTALS	
	PROGRAM	GENERAL	\$	RAISING	TOTALS	TOTALS	TOTALS
Hospital Expenses	\$ 2,891,614	-	\$	-	\$ 2,891,614	\$	998,962
Salaries and Related Expenses	7,500	34,641		64,983	107,124		73,246
Professional Fees	94,031	94,031		157,379	345,441		160,987
Travel and Meetings	-	51,542		-	51,542		4,089
Printing and Copying	14,803	14,803		29,607	59,213		21,435
Office Expenses	20,469	20,469		40,940	81,878		71,063
Equipment and Maintenance	-	23,916		-	23,916		12,387
Insurance	4,925	-		-	4,925		807
Other	-	-		-	-		6,586
Total Expenses	\$ 3,033,342	\$ 239,402	\$	\$ 292,909	\$ 3,565,653	\$	1,349,562

See accompanying notes to the financial statements.

The CRUDEM Foundation, Inc.
Statements of Cash Flows
For the Year Ended December 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,518,110	\$ (105,716)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Realized and Unrealized (Gains) Losses	(11,049)	(13,240)
Donated Securities	(118,804)	-
Changes in Operating Assets and Liabilities Accounts Payable and Accrued Expenses	3,104	3,512
	1,391,361	(115,444)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	-	(118,472)
Sale of Investments	16,564	245,476
	16,564	127,004
Net Cash Provided by (Used in) Investing Activities	16,564	127,004
Net Change in Cash and Cash Equivalents	1,407,925	11,560
CASH AND CASH EQUIVALENTS		
Beginning of Year	428,986	417,426
End of Year	\$ 1,836,911	\$ 428,986

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 established in 1993 in St. Louis, MO, now headquartered in Ludlow, MA. CRUDEM is an acronym for Center for Rural Development of Milot. Hôpital Sacré Coeur is the largest private Catholic hospital situated in Milot, Northern Haiti. In 1993, the Archbishop of Cap Haitien gave the CRUDEM Foundation, Inc. operating responsibility for Hôpital Sacré Coeur.

Hôpital Sacré Coeur provides desperately needed preventive, routine, and emergency primary and specialty care, surgery, full maternity care, child nutrition, dental, and community health services and is the largest public health services provider for the 225,000 people living in the region of this northern region of Haiti regardless of religion, economic status, or disease state. The community health department reaches 150,000 people off-site with vaccinations, prenatal care, basic hygiene and nutrition training, HIV/AIDS, tuberculosis, malaria, and filariasis treatment.

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 thought April 1, 2010, support, in the form of contributions, in the first five months of 2010 to the Organization was almost three times the amount of the whole year of 2009. Also, the Organization has spent almost three times the support normally allotted on a monthly basis.

Because of the above, the hospital is planning to expand to be a 120 bed facility. The additional capital investment required will be approximately \$2 million and a 100% increase in the operating budget. It is estimated that the annual operating budget, post earthquake will be approximately \$4 million.

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.

The CRUDEM Foundation, Inc.

Notes to Financial Statements

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

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.

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 2010. 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, 2010 and 2009, the total value of supplies and equipment was \$20,046,139 and \$1,320,112, respectively. Included in the amount for 2010 and 2009 are items directly contributed from AmeriCares to the hospital in the amounts \$5,647,920 and \$ 987,174, respectively. Also, in 2010 Caritas Christi's contributed \$5,800,000.

The CRUDEM Foundation, Inc.

Notes to Financial Statements

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

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, 2010 and 2009, the value for donated medical services totaled \$4,257,792 and \$781,055, 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 2009 have been reclassified to conform to the current year presentation. Such reclassification had no effect on change in net assets.

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. Uninsured amounts for 2010 and 2009 were \$1,451,660 and \$127,550, respectively.

5. Investments

Investment income for 2010 consists of \$12,083 of unrealized gains, \$1,034 realized loss, Investment Interest and dividends of \$351 and Bank interest of \$3,878. In 2009 the investment income was \$13,240 of unrealized gains, Investment Interest and dividends of \$2,867 and Bank interest of \$996.

Investments consist of the following at December 31, 2010:

	<u>Cost/Basis</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Equity securities	<u>\$ 111,248</u>	<u>\$ 121,938</u>	<u>\$ 121,938</u>

The CRUDEM Foundation, Inc.

Notes to Financial Statements

5. Investments (continued)

Investments consist of the following at December 31, 2009:

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

Investment fees for the years ended December 31, 2010 and 2009 were \$60 and \$733, respectively.

6. Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Major Repairs and improvements	\$ 670,051	\$ 131,132
Land purchase	-	29,797
Pediatricians and surgeons	-	7,500
Transportation	2,035	13,550
Maternity services	20	5,000
Education - McGuinness Fund	-	1,710
Earthquake Relief	10	-
Nursing Scholarships	5,523	-
JAX Ortho Team Travel	962	500
Lab Supplies	1,000	-
Presbyterian Physical Therapy Fund	20,000	-
Parish Community Center	72,558	-
Prosthetics Lab	112,893	-
	<u>\$ 885,052</u>	<u>\$ 189,189</u>

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

	<u>2010</u>	<u>2009</u>
Endowment	<u>\$ 10,000</u>	<u>\$ 10,000</u>

The CRUDEM Foundation, Inc.

Notes to Financial Statements

6. Restricted Net Assets (continued)

Net assets released from restrictions and disbursed during the year ended December 31, 2010 and 2009 consist of the following:

	<u>2010</u>	<u>2009</u>
Major improvements and repairs	\$ 374,419	\$ 106,283
Land purchase	89,797	-
JAX Ortho Team Travel	538	-
Earthquake Relief	1,044,995	-
Transportation	13,736	2,357
Maternity services	6,020	-
Hospitality	2,489	-
Parish Community Center	107,542	-
Vehicles purchased	-	31,580
Prosthetics Lab	76,352	-
Mission House	-	500
Marketing and promotion	37,883	15,243
Lab supplies	9,600	11,000
School at Tibeau	5,000	-
Education - McGuinness Fund	1,710	6,752
Food	-	15,100
Pediatricians and surgeons	7,500	12,500
	<u>\$ 1,777,581</u>	<u>\$ 201,315</u>

7. Subsequent Events

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