

**PROJECT MEDISHARE FOR HAITI, INC.
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2010
(With Comparative Totals for 2009)**

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of the Project Medishare for Haiti, Inc., as of December 31, 2010 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the management of the Project Medishare for Haiti, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards of 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 in the first paragraph present fairly, in all material respects, the financial position of the Project Medishare for Haiti, 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 generally accepted accounting principles of the United States of America.

L. Brown and Company, P.A.

L. Brown and Company, P.A.
July 8, 2011

PROJECT MEDISHARE FOR HAITI, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2010
(With Comparative Totals for 2009)

	2010	2009
ASSETS		
Cash and cash equivalents	\$ 669,697	\$ 24,830
Restricted cash	355,254	-
Accounts receivable	35,000	23,074
Automobile, net (Note 4)	-	17,767
TOTAL ASSETS	\$ 1,059,951	\$ 65,671
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable & accrued liabilities	\$ 110,499	\$ 21,818
TOTAL LIABILITIES	110,499	21,818
NET ASSETS		
Unrestricted (Note 2)	594,198	26,086
Temporarily Restricted (Note 2)	355,254	17,767
TOTAL NET ASSETS	949,452	43,853
TOTAL LIABILITIES AND NET ASSETS	\$ 1,059,951	\$ 65,671

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, 2010
(With Comparative Totals for 2009)

	Unrestricted	Temporarily Restricted	2010 Total	2009 Total
REVENUE AND SUPPORT:				
Contributions, gifts, and donations	\$ 5,959,648	\$ 1,006,265	\$ 6,965,913	\$ 500,466
Grants	3,720,041	-	3,720,041	687,398
Reimbursed expenses & miscellaneous income	8,694	-	8,694	8,615
Donated services & medical supplies	606,800	-	606,800	289,908
Net assets released from restrictions	668,778	(668,778)	-	-
TOTAL REVENUES AND SUPPORT	10,963,961	337,487	11,301,448	1,486,387
EXPENSES:				
PROGRAM SERVICES:				
Logistics & Communication	7,735	-	7,735	48,717
Medical & Nutrition	395,711	-	395,711	1,270,914
AK 1000 Program	385,000	-	385,000	61,656
Program Sustainability	9,374,830	-	9,374,830	5,699
Total Program Services	10,163,276	-	10,163,276	1,386,986
General Administration	150,048	-	150,048	127,432
Fundraising	82,525	-	82,525	20,499
Total General Administration & Fundraising	232,573	-	232,573	147,931
Total Expenses	10,395,849	0	10,395,849	1,534,917
CHANGES IN NET ASSETS	568,112	337,487	905,599	(48,530)
NET ASSETS, beginning of year	26,086	17,767	43,853	92,383
NET ASSETS, end of year	\$ 594,198	\$ 355,254	\$ 949,452	\$ 43,853

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, 2010
(With Comparative Totals for 2009)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 568,112	\$ (48,530)
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation	17,767	16,160
Increase in accounts receivable	(11,926)	(10,574)
Increase in account payable	88,681	11,070
NET CASH PROVIDED BY OPERATING ACTIVITIES	662,634	(31,874)
CASH FLOWS FROM INVESTING ACTIVITIES:		
NET CASH USED BY INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in cash restricted by donors	337,487	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	337,487	-
NET INCREASE IN CASH	1,000,121	(31,874)
CASH, beginning of year	24,830	56,704
CASH, end of year	\$ 1,024,951	\$ 24,830
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, 2010
(With Comparative Totals for 2009)

	Logistics & Communication	Medical & Nutrition	AK 1000 Program	Earthquake Relief	Total Program Services	General & Admin.	Fundraising	2010 Total	2009 Total
Salary and related expenses	\$ -	18,223	-	201,741	219,964	70,363	-	290,327	91,703
Contract services	-	261,219	-	1,029,758	1,290,977	-	-	1,290,977	462,160
Materials and supplies	-	72,652	-	1,093,623	1,166,275	135	-	1,166,410	189,690
Overseas vehicle and other commuting expenses	7,735	7,735	-	57,358	72,828	-	-	72,828	46,832
Depreciation	-	-	-	-	0	17,767	-	17,767	16,160
Renovation & repair	-	0	-	105,000	105,000	-	-	105,000	741
Bank service charge	-	94	-	41,408	41,502	5,745	-	47,247	1,552
Student travel	-	0	-	-	0	-	-	0	121,701
Computer and computer related expenses	-	522	-	52,141	52,663	5,684	-	58,347	1,870
Office supplies	-	34	-	3,536	3,570	13	-	3,583	1,353
Rent	-	-	-	10,000	10,000	-	-	10,000	0
Operating expenses	-	13,375	-	73,036	86,411	0	-	86,411	122,305
Professional fees	-	0	-	226,651	226,651	25,885	5,750	258,286	129,097
Donation for AK 1000 facility construction costs	-	0	385,000	-	385,000	-	-	385,000	61,656
On-going PAP and other earthquake relief expenses	-	-	-	4,542,960	4,542,960	-	-	4,542,960	0
Fundraising expenses	-	-	-	-	0	-	76,775	76,775	0
Travel	-	1,559	-	1,141,993	1,143,552	0	-	1,143,552	72,480
Printing	-	-	-	17,313	17,313	6,454	-	23,767	5,699
Utility and telephone	-	480	-	2,798	3,278	1,865	-	5,143	2,007
Postage and delivery	-	30	-	19,631	19,661	50	-	19,711	127
Community activities	-	16,194	-	528,545	544,739	-	-	544,739	165,303
Other expenses	-	3,594	0	227,338	230,932	16,087	-	247,019	42,481
Total Functional Expenses	\$ 7,735	\$ 395,711	\$ 385,000	\$ 9,374,830	\$ 10,163,276	\$ 150,048	\$ 82,525	\$ 10,395,849	\$ 1,534,917

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, 2010
(With Comparative Total for 2009)

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 1995 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 the Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. This pronouncement requires not-for-profit organizations to report 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.

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.

**PROJECT MEDISHARE FOR HAITI, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(With Comparative Total for 2009)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Temporarily restricted net assets are released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by the donors.

At December 31, 2010, Project Medishare for Haiti, Inc. had \$594,198 in unrestricted net assets and \$355,254 in restricted net assets. At December 31, 2009, the Company had \$26,086 in unrestricted net assets and \$17,767 in temporarily restricted net assets.

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. Project Medishare for Haiti, Inc. follows SFAS No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, 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.

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.

**PROJECT MEDISHARE FOR HAITI, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(With Comparative Total for 2009)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2010, the Company received \$606,800 in donated medical materials and equipment.

The value of donated volunteer time is not reflected in the financial statements because the criteria for recognition under SFAS 116 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 4,000 individuals.

NOTE 4 – PROPERTY, FURNITURE & EQUIPMENT

The following is a classification of property and equipment:

2010

	<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>

**PROJECT MEDISHARE FOR HAITI, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(With Comparative Total for 2009)**

NOTE 4 – PROPERTY, FURNITURE & EQUIPMENT (continued)

2009

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Automobiles	80,801	63,034
Furniture	19,000	19,000
Medical equipment	<u>30,870</u>	<u>30,870</u>
Total	<u>\$130,671</u>	<u>\$112,904</u>

Depreciation expense for the years ended December 31, 2010 and 2009 was \$17,767 and \$16,160, respectively.

NOTE 6 – 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, 2010, the organization had \$774,951 in excess of FDIC insured amount at one financial institution. There was no amount in excess of FDIC coverage at December 31, 2009.

NOTE 7 - 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.