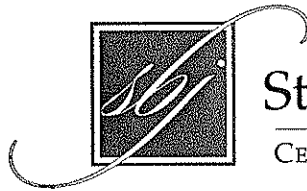


**HEALING HANDS FOR HAITI  
FOUNDATION, INC.  
Financial Statements as of  
December 31, 2008**

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Stayner Bates & Jensen P.C.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Healing Hands for Haiti Foundation, Inc.  
Salt Lake City, Utah

We have audited the accompanying statement of financial position of Healing Hands for Haiti Foundation, Inc. (the Organization) as of December 31, 2008 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Healing Hands for Haiti Foundation, Inc. as of December 31, 2008 and the results of its activities and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Stayner, Bates & Jensen, P.C.*

Stayner, Bates & Jensen, PC  
Salt Lake City, Utah  
June 10, 2009

**HEALING HANDS FOR HAITI FOUNDATION, INC.**  
Statement of Financial Position  
December 31, 2008

ASSETS

CURRENT ASSETS

Cash (Note 2)	\$ 141,371
Certificate of deposit (Note 3)	253,312
Marketable securities (Note 2)	<u>7,209</u>
Total Current Assets	<u>401,892</u>
TOTAL ASSETS	<u>\$ 401,892</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	<u>\$ 371</u>
Total Current Liabilities	<u>371</u>
TOTAL LIABILITIES	<u>371</u>

NET ASSETS

Unrestricted	148,209
Temporarily restricted	<u>253,312</u>
Total Net Assets	<u>401,521</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 401,892</u>

The accompanying notes are an integral part of these financial statements.

**HEALING HANDS FOR HAITI FOUNDATION, INC.**

Statement of Activities

For the Year Ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contributions	\$ 151,400	\$ 190,263	\$ 341,663
Donated goods and services	15,126	-	15,126
Interest and dividend income	<u>626</u>	<u>7,770</u>	<u>8,396</u>
	167,152	198,033	365,185
Net assets released from restrictions	<u>190,263</u>	<u>(190,263)</u>	<u>-</u>
Total Public Support and Revenue	<u>357,415</u>	<u>7,770</u>	<u>365,185</u>
<b>OPERATING EXPENSES</b>			
Program services expense	268,053	25,000	293,053
Management and general	33,461	-	33,461
Fundraising	<u>20,004</u>	<u>-</u>	<u>20,004</u>
Total Operating Expenses	<u>321,518</u>	<u>25,000</u>	<u>346,518</u>
INCOME (LOSS) FROM OPERATIONS	<u>35,897</u>	<u>(17,230)</u>	<u>18,667</u>
<b>OTHER EXPENSE</b>			
Unrealized loss on marketable securities	<u>(7,397)</u>	<u>-</u>	<u>(7,397)</u>
Total Other Expense	<u>(7,397)</u>	<u>-</u>	<u>(7,397)</u>
CHANGE IN NET ASSETS	28,500	(17,230)	11,270
NET ASSETS, BEGINNING OF YEAR	<u>119,709</u>	<u>270,542</u>	<u>390,251</u>
NET ASSETS, END OF YEAR	<u>\$ 148,209</u>	<u>\$ 253,312</u>	<u>\$ 401,521</u>

The accompanying notes are an integral part of these financial statements.

**HEALING HANDS FOR HAITI FOUNDATION, INC.**

Statement of Functional Expenses  
For the Year Ended December 31, 2008

	Program Services	Management and General	Fund Raising	Total Expenses
Expenses:				
Salaries and benefits	\$ 112,035	\$ 13,181	\$ 6,590	\$ 131,806
Donated goods and services expense	12,857	1,513	756	15,126
Administrative expense	12,360	651	-	13,010
Bank charges	-	275	92	366
Professional fees	-	371	-	371
Rent and utilities	25,012	6,253	-	31,265
Travel	37,813	7,090	2,363	47,266
Insurance	1,637	327	218	2,182
Fundraising expense	-	-	6,836	6,836
Supplies and misc expenses	15,674	2,090	3,135	20,899
Medical team expenses	6,794	1,698	-	8,492
Clinic medical expense	29,351	-	-	29,351
Guesthouse expense	39,411	-	-	39,411
Postage and freight	109	14	14	137
<b>Total</b>	<b>\$ 293,053</b>	<b>\$ 33,461</b>	<b>\$ 20,004</b>	<b>\$ 346,518</b>

The accompanying notes are an integral part of these financial statements.

**HEALING HANDS FOR HAITI FOUNDATION, INC.**

Statement of Cash Flows  
For the Year Ended December 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 11,270
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Loss on marketable securities	7,397
Increase (decrease) in liabilities:	
Accounts payable	<u>371</u>
Net Cash Provided by Operating Activities	<u>19,038</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Change in certificate of deposit	<u>17,230</u>
Net Cash Provided by Investing Activities	<u>17,230</u>

CASH FLOWS FROM FINANCING ACTIVITIES

	<u>-</u>
NET INCREASE IN CASH	36,268
CASH AT BEGINNING OF YEAR	<u>105,103</u>
CASH AT END OF YEAR	<u><u>\$ 141,371</u></u>

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest	\$ -
Cash paid for income taxes	\$ -

The accompanying notes are an integral part of these financial statements.

**HEALING HANDS FOR HAITI FOUNDATION, INC**  
Notes to Financial Statements  
December 31, 2008

**NOTE 1 - ORGANIZATION**

Healing Hands for Haiti Foundation, Inc. (the "Organization"), is a Massachusetts nonprofit corporation organized to provide medical rehabilitation services to disabled children and adults in Haiti. The Organization was incorporated on October 1, 1999.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Organization conform to U.S. generally accepted accounting principles as applicable to not-for-profit-organizations. The following is a summary of the more significant of the Organization's accounting policies:

**a. Basis of Accounting**

The financial statements of the Organization are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization has adopted Statement of Financial Accounting Standards (SFAS) 117 "Financial Statements of Not-for-Profit-Organizations" and SFAS 116 "Accounting for Contributions Received and Contributions Made." Under these SFAS's, the Organization is required to report and record its financial position, activities and contributions received under three classes; permanently restricted, temporarily restricted and unrestricted. These classes are determined by the donor's restrictions for the use of the funds or the lack thereof. When a donor's restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and are shown in the statement of activities as net assets released from restriction. Temporary restrictions expire when a time restriction is met, or the purpose of the restricted funds has been accomplished.

**b. Income Taxes**

The Organization is a non-profit corporation whose revenue is derived from contributions and other fundraising activities and is not subject to federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

**c. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses, including functional allocations during the reporting period. Actual results could differ from those estimates.



**HEALING HANDS FOR HAITI FOUNDATION, INC**  
Notes to Financial Statements  
December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Functional Allocation of Expenses

The costs of providing various program and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

e. Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

f. Concentration of Credit Risk

The Organization maintains its cash in federally insured bank accounts. At times, these amounts exceed insured limits. As of December 31, 2008, the Organization had \$3,312 (included in certificate of deposit) above the maximum federal insurance limit of \$250,000. The Organization does not anticipate any losses from this risk. The FDIC insurance limit on individual and certificate of deposit accounts was increased to \$250,000 through 2013.

g. Marketable Securities

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair market values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets. The Organization had marketable securities at a current value of \$7,209 as of December 31, 2008. The Organization had unrealized losses of \$7,397 for the year ended December 31, 2008.

h. Contributions

Contributions are generally recorded only upon receipt, unless evidence or an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. Conditional promises to give are not included as support until such time as the conditions are substantially met. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, it is reported as unrestricted support.

The Organization recognizes contribution revenue for donated property and equipment in the period received at the property or equipment's fair value. If donated assets have questionable or uncertain value and no alternative use that adds value to the assets, the Organization does not recognize them in the financial statements.

**HEALING HANDS FOR HAITI FOUNDATION, INC**  
Notes to Financial Statements  
December 31, 2008

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h. Contributions (Continued)**

Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Also, the Organization receives donations or contributions through services performed. The fair value of the donated services are recognized in the financial statements if the services either (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated. Services that do not meet either of the preceding criteria are not recognized. Donated services are recorded at their fair value. During the year ended December 31, 2008, the value of contributed services was \$15,126.

**i. Temporarily Restricted Net Assets**

The Organization received certain funds from a donor for the purpose of the construction and maintenance of a hospital in Haiti. The funds received are deposited into a separate bank account and are temporarily restricted in nature. Interest earned on the account is also temporarily restricted for the construction of the hospital. Total temporarily restricted net assets at December 31, 2008 were \$253,312.

**NOTE 3 - CERTIFICATE OF DEPOSIT**

The Organization holds a certificate of deposit (CD) totaling \$253,312 as of December 31, 2008. The CD accrues interest at 2.9% per annum and matures on October 27, 2009.