J/P HAITIAN RELIEF ORGANIZATION

(A NONPROFIT ORGANIZATION)
FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 19, 2010 (INCEPTION)
TO DECEMBER 31, 2010

J/P HAITIAN RELIEF ORGANIZATION
(A NONPROFIT ORGANIZATION)
CONTENTS
December 31, 2010

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
J/P Haitian Relief Organization
Los Angeles, California

We have audited the accompanying statement of financial position of J/P Haitian Relief Organization (a nonprofit organization) (the "Organization") as of December 31, 2010, and the related statements of activities and cash flows for the period from January 19, 2010 (inception) to December 31, 2010. 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 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 Organization as of December 31, 2010, and the changes in its net assets and its cash flows for the period from January 19, 2010 (inception) to December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

SingerLewak LLP

SingerLewak LLP

Los Angeles, California
December 16, 2011

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J/P HAITIAN RELIEF ORGANIZATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010

ASSETS

Assets	
Cash	$ 734,444
Accounts receivable	216,210
Prepaid expenses and other assets	108,726
Total current assets	1,059,380
Property and equipment, net	885,393
Total assets	**$ 1,944,773**

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued expenses	334,157
Total liabilities	334,157
Commitments (Note 5)	
Net assets	
Unrestricted	1,610,616
Total net assets	1,610,616
Total liabilities and net assets	**$ 1,944,773**

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

J/P HAITIAN RELIEF ORGANIZATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES
FOR THE PERIOD FROM INCEPTION (JANUARY 19, 2011) TO DECEMBER 31, 2010

	Unrestricted
Revenue and support	
Contributed goods and services	$ 9,720,714
Contributions	3,489,226
Grant revenue	935,960
Art auction revenue	720,250
Total revenue and support	14,866,150
Functional expenses	
Program services	12,623,586
General and administrative	433,896
Fundraising	198,052
Total functional expenses	13,255,534
Change in net assets	1,610,616
Net assets, beginning of period	-
Net assets, end of period	**$ 1,610,616**

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

J/P HAITIAN RELIEF ORGANIZATION

(A NONPROFIT ORGANIZATION)

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE PERIOD FROM INCEPTION (JANUARY 19, 2010) TO DECEMBER 31, 2010

	Program Services	General and Administrative	Fundraising	Total
Personnel expenses				
Personnel costs	$ 1,026,045	$ 15,136	$ -	$ 1,041,181
Employee and volunteer benefits	98,478	-	-	98,478
Total personnel expenses	1,124,523	15,136	-	1,139,659
Other expenses				
Bank fees	-	495	14,807	15,302
Depreciation and loss on disposition of vehicle	79,725	483	-	80,208
Equipment rental	548,543	-	-	548,543
Freight and transportation	708,409	-	-	708,409
Haitian field costs	132,937	-	-	132,937
Insurance	107,143	2,540	-	109,683
Local transportation	232,263	-	-	232,263
Medical supplies	7,736,143	-	-	7,736,143
Material and supplies	1,518,149	-	-	1,518,149
Office supplies	15,487	8,329	1,691	25,507
Professional services	176,944	253,750	145,626	576,320
Rent expense	21,975	36,184	-	58,159
Repair and maintenance	13,151	-	-	13,151
Subscription	-	970	4,595	5,565
Telephone and other	95,273	5,886	-	101,159
Travel	97,410	105,386	30,884	233,680
Other	15,511	4,737	449	20,697
Total other expenses	11,499,063	418,760	198,052	12,115,875
Total functional expenses	**$ 12,623,586**	**$ 433,896**	**$ 198,052**	**$ 13,255,534**

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

J/P HAITIAN RELIEF ORGANIZATION

(A NONPROFIT ORGANIZATION)
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM INCEPTION (JANUARY 19, 2010) TO DECEMBER 31, 2010

Cash flows from operating activities	
Change in net assets	$ 1,610,616
Adjustments to reconcile change in net assets to net cash used in operating activities	
Donation of in-kind equipment	(774,073)
Depreciation expense and loss on disposition of vehicle	80,208
(Increase) in	
Accounts receivable	(216,210)
Prepaid expenses and other assets	(108,726)
Increase in	
Accounts payable and accrued expenses	334,157
Net cash provided by operating activities	925,972
Cash flows from investing activities	
Purchase of property and equipment	(191,528)
Net cash provided by investing activities	(191,528)
Net increase in cash	734,444
Cash, beginning of period	-
Cash, end of period	**$ 734,444**

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

NOTE 1 – GENERAL

Organization

J/P Haitian Relief Organization (the "Organization") is a nonprofit organization, which was founded on January 19, 2010 immediately after a 7.0 magnitude earthquake devastated Haiti. The Organization's mission is to save lives and rebuild communities in Haiti through sustainable programs. The Organization is dedicated to responding to the needs of Haitian people, and its programs include Internally Displaced Person camp management, community center programs for camp residents, education of K-6 children, medical services through its medical clinics, emergency preparedness and response programs and rubble removal to facilitate redevelopment.

Funding

The Organization raises funds primarily through contributions from foundations, corporations and individual donors and grants from other non-governmental organizations and foundations

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements are presented on the accrual basis of accounting in accordance with standards generally accepted in the United States of America. This includes a statement of financial position that presents the amounts for each of the three classes of net assets: unrestricted, temporarily restricted and permanently restricted. These net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets: Unrestricted net assets are comprised of assets that are for operating purposes or assets that are not subject to donor-imposed restrictions and are general in nature.

Temporarily Restricted Net Assets: Temporarily restricted net assets are those assets whose use by the Organization is subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.

Permanently Restricted Net Assets: Permanently restricted net assets are those assets subject to donor-imposed stipulations that they be maintained in perpetuity by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the investment return on these assets for unrestricted purposes.

As of December 31, 2010, the Organization has no temporarily or permanently restricted net assets.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Pledges

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Conditional contributions are recorded as support in the period in which the condition is met. Such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the restriction, usually when the funds are spent.

In-kind Contributions

In-kind contributions are recorded at their estimated fair market value at the time services are pledged or rendered or goods are received. They include donations of medical supplies, materials used in connection with operations of the Organization, fixed assets, office space, travel services and cell phones. During the period from January 19, 2010 (inception) to December 31, 2010 the Organization received donated medical supplies of $7,616,084, materials of $1,237,258, fixed assets of $774,073, office space of $36,000 and various other in-kind donations of $57,299.

A substantial number of unpaid volunteers made significant contributions of their time to develop and implement the Organization's programs. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement of valuation.

Cash

The Organization defines a cash equivalent as any investment with an original maturity of three months or less.

Property and Equipment

Property and equipment are stated at cost or, for those assets acquired by gift or bequest, the estimated fair market value at the date of contribution. The Organization follows the policy of capitalizing expenditures that increase asset lives and expensing ordinary maintenance and repairs as incurred. Depreciation is computed using the straight-line method over estimated useful lives as follows:

Temporary structures	3 years
Vehicles	5 years
Furniture and equipment	5 years
Computer and office equipment	2-3 years

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-lived Assets

The Organization accounts for its long-lived assets with definite useful lives in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("Codification" or "ASC") Topic No. 360, "Accounting for the Impairment or Disposal of Long-lived Assets." Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Organization first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment loss is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary. The Organization determined that none of its long-lived assets were impaired during the period from January 19, 2011 (inception) to December 31, 2011.

Inventories

Donated inventories consist of pharmaceuticals and various disposable medical supplies and are recorded at the average wholesale price at the date of contribution. As of December 31, 2010, all such items had been disbursed.

Functional Expenses

Expenses are charged to each program based on direct expenditures incurred. Expenditures not directly chargeable to a program are charged to supporting services.

Income Taxes

The Organization is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. In addition, the Organization is classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code. Accordingly, a provision for Federal or state income taxes has not been made in the accompanying financial statements.

The Organization also applies the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic No. 740, "Accounting for Uncertainty in Income Taxes" ("ASC 740"). ASC 740 clarifies for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statements No. 109, "Accounting for Income Taxes," and prescribes a recognition and measurement of a tax position taken or expected to be taken in a tax return. In accordance with ASC 740, the Organization recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. The Organization has determined that the adoption of ASC 740 did not result in the recognition of any liability for unrecognized tax benefits.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)
The Organization's income tax returns are subject to examination for the period since January 19, 2010 (inception) with regards to the positions taken and results reported.

Use of Estimates
The preparation of financial statements 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Estimated Fair Value of Financial Instruments
As defined in FASB ASC Topic No. 820, "Fair Value Measurements" ("ASC 820"), fair value is the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (i.e. the exit price).

ASC 820 requires enhanced disclosures about financial instruments that are measured and reported at fair value. ASC 820 establishes a fair value hierarchy that prioritizes and ranks the level of market price observability used in measuring fair value. Market price observability is impacted by a number of factors, including the type of instrument, the characteristics specific to the instrument and the state of the marketplace (including the existence and transparency of transactions between market participants). Instruments with readily available actively quoted prices or for which fair value can be measured from actively quoted prices in an orderly market will generally have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories based on inputs:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date.

Level 2 – Pricing inputs are observable for the instruments, either directly or indirectly, as of the reporting date but are other than quoted prices as in Level 1. Fair value is determined through observable trading activity reported at net asset value or through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant judgment or estimation by the Organization.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimated Fair Value of Financial Instruments (Continued)
In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given instrument is based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the instrument.

Cash are financial instruments that are classified within Level 1, because these accounts were valued primarily using quoted market prices utilizing market-observable inputs. The carrying values of accounts receivable, prepaid expenses and other assets, accounts payable and accrued expenses approximate fair values due to the short maturity of these instruments.

Concentrations of Credit Risk
Financial instruments that potentially expose the Organization to concentrations of credit risk consist primarily of cash and accounts receivable. The Organization places its cash and cash equivalents with high-credit, quality financial institutions. These account balances usually exceed amounts insured by the Federal Deposit Insurance Corporation (the "FDIC"). From December 31, 2010 through December 2012, all non-interest-bearing transaction accounts are fully insured, regardless of the balance of the account and the ownership capacity of the funds. For funds held in other types of deposit accounts, the FDIC will insure up to $250,000 under the FDIC's general deposit insurance rules. However, the Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Because the Organization receives in-kind donations from a few large organizations, a significant percentage of consolidated revenues relate to a small number of organizations. For the period from January 19, 2010 (inception) to December 31, 2010, one organization accounted for 42% of total revenues.

The Organization operates in Haiti, a foreign country, which does not have a stable government or economy. To the extent negative events occur in these countries, the Organization may not be able to recover its assets or remove its cash from these countries. The Organization has $248,399 in Haitian cash accounts and $899,138 in fixed assets located in Haiti as of December 31, 2010.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncements

In January 2010, the FASB issued Accounting Standards Update No. 2010-06 (Topic 820), "Fair Value Measurements and Disclosures" ("ASU 2010-06"). This guidance amends the disclosure requirements related to recurring and nonrecurring fair value measurements and requires new disclosures on the transfers of assets and liabilities between Level 1 and Level 2 of the fair value measurement hierarchy, including the reasons and the timing of the transfers. Additionally, the guidance requires a rollforward of activities on purchases, sales, issuance and settlements of the assets and liabilities measured using Level 3 measurements.

The guidance became effective for the reporting period beginning January 1, 2010, except for the disclosure on the rollforward activities for Level 3 fair value measurements, which will become effective for the reporting period beginning January 1, 2011. The adoption of ASU 2010-06 did not have a material impact on the Organization's financial position, statement of activities, functional expenses or cash flows.

In January 2010, the FASB issued Accounting Standards Update 2010-07, "Not-for-Profit Entities: Mergers and Acquisitions (Topic 958)" ("ASU 2010-07"). This guidance amends and clarifies the requirements under ASC 958-805, which establishes principles and requirements for how a not-for-profit entity accounts for and discloses mergers and acquisitions. It also amends SFAS No. 142, "Goodwill and Other Intangible Assets," to make it fully applicable to not-for-profit entities. ASC 958-805 is effective for mergers occurring on or after December 15, 2009 and acquisitions for which the acquisition dates are on or after the beginning of the first annual reporting period beginning on or after December 15, 2009. The Organization's management does not believe ASU 2010-07 and ASC 958-805 will have a material effect on its financial statements as the Organization has no plan for a merger or acquisition.

Recently Issued Accounting Pronouncements

In May 2011, the FASB issued ASU No. 2011-04, "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs," to converge the guidance in U.S. GAAP and International Financial Reporting Standards ("IFRS"). The amended guidance changes several aspects of the fair value measurement guidance in ASC Topic 820. In addition, the amended guidance includes several new fair value disclosure requirements, including, among other things, information about valuation techniques and unobservable inputs used in Level 3 fair value measurements and a narrative description of Level 3 measurements' sensitivity to changes in unobservable inputs. For nonpublic entities, the amended guidance must be applied prospectively for annual periods beginning after December 15, 2011. The Organization is in the process of assessing the effect that the guidance will have on its financial statements.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2010:

Temporary structures	$ 378,263
Vehicles	396,444
Furniture and medical equipment	180,674
Computer and office equipment	4,220
	959,601
Less accumulated depreciation	(74,208)
Property and equipment, net	**$ 885,393**

Depreciation expense for the period from January 19, 2010 (inception) to December 31, 2010 amounted to $74,208.

NOTE 4 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accrued expenses are comprised of the following amounts as of December 31, 2010:

Accrued expenses	$ 222,460
Accrued payroll and payroll taxes	84,990
Credit card payables	15,017
Accounts payable	11,690
Total	**$ 334,157**

NOTE 5 – COMMITMENTS

Operating Leases

The Organization entered into an agreement for a housing facility and office space in Haiti under an operating lease that commenced on September 24, 2010. The monthly rent on the lease is $6,000, and the lease expires September 24, 2011.

There are no future minimum annual rental commitments under this lease at December 31, 2010, as the Organization was required to prepay the full lease amount.

The Organization is receiving free office space in Los Angeles that commenced in April 2010, and there is no expiration (see Note 2, In-kind Contributions). Total rent expense, including donated rent for the period from January 19, 2010 (inception) to December 31, 2010 amounted to $55,400.

NOTE 5 – COMMITMENTS (Continued)

Litigation

The Organization, from time to time, is involved in certain legal matters that arise in the normal course of business. Management believes, based in part on the advice of counsel, that the resolution of such matters will not have a material adverse effect on the financial position of the Organization.

NOTE 6 – RELATED PARTIES

During the period from January 19, 2010 (inception) to December 31, 2010, the Organization received a total of $1,143,241 in contributions from the founders of the Organization, members of the Organization's board of directors and management. Also, the Organization distributed a total of $348,201 in management services, and $7,148 was still outstanding in accounts payable at December 31, 2010.

During the period from January 19, 2010 (inception) to December 31, 2010, the Organization received a total of $1,388,088 in contributions and in-kind donations from parties who became members of the board of directors in fiscal year 2011.

NOTE 7 – SUBSEQUENT EVENTS

On May 5, 2011, the Organization entered into an agreement for office space under an operating lease that commenced on July 1, 2011. The monthly payment on the lease is $2,189 and expires January 31, 2012.

Subsequent events have been evaluated through December 16, 2011, which is the date the financial statements were available to be issued.