

**J/P HAITIAN RELIEF ORGANIZATION
AND AFFILIATE
(NONPROFIT ORGANIZATIONS)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

**J/P HAITIAN RELIEF ORGANIZATION
AND AFFILIATE
(NONPROFIT ORGANIZATIONS)
CONTENTS
December 31, 2012**

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7 – 15

INDEPENDENT AUDITOR'S REPORT

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



Report on the Financial Statements

We have audited the accompanying consolidated financial statements of J/P Haitian Relief Organization and affiliate (nonprofit organizations) (collectively, the "Organization") which comprise the consolidated statement of financial position as of December 31, 2012, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors
J/P Haitian Relief Organization and Affiliate
Independent Auditor's Report
Page 2 of 2

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "SingerLewak LLP". The signature is written in a cursive, flowing style.

SingerLewak LLP

Los Angeles, California
August 1, 2013

**J/P HAITIAN RELIEF ORGANIZATION
AND AFFILIATE
(NONPROFIT ORGANIZATIONS)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2012**

ASSETS

Assets

Cash and cash equivalents	\$	6,662,009
Accounts receivable		765,365
Prepaid expenses and other assets		<u>145,485</u>
 Total current assets		 7,572,859
 Property and equipment, net		 <u>705,854</u>
 Total assets		 <u><u>\$ 8,278,713</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$	237,451
Accrued wages and payroll taxes		265,177
Accrued expenses		242,621
Deferred revenue		<u>465,392</u>
 Total current liabilities		 1,210,641
 Note payable - long-term		 <u>500,000</u>
 Total liabilities		 <u>1,710,641</u>

Commitments (Note 7)

Net assets

Unrestricted		4,408,589
Temporarily restricted		<u>2,159,483</u>
 Total net assets		 <u>6,568,072</u>

Total liabilities and net assets		<u><u>\$ 8,278,713</u></u>
---	--	-----------------------------------

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

**J/P HAITIAN RELIEF ORGANIZATION
AND AFFILIATE
(NONPROFIT ORGANIZATIONS)
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012**

	Unrestricted	Temporarily Restricted	Total
Revenue and support			
Grants and contributions	\$ 8,145,005	\$ 4,310,754	\$ 12,455,759
Contributed goods and services	1,130,472	-	1,130,472
Event revenue	7,260,036	-	7,260,036
Other income, net	1,311	-	1,311
Net assets released from restrictions	3,601,445	(3,601,445)	-
Total revenue and support	20,138,269	709,309	20,847,578
Functional expenses			
Program services	13,837,674	-	13,837,674
General and administrative	746,704	-	746,704
Fundraising	2,138,516	-	2,138,516
Total expenses	16,722,894	-	16,722,894
Change in net assets	3,415,375	709,309	4,124,684
Net assets, beginning of year	993,214	1,450,174	2,443,388
Net assets, end of year	\$ 4,408,589	\$ 2,159,483	\$ 6,568,072

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

**J/P HAITIAN RELIEF ORGANIZATION
AND AFFILIATE
(NONPROFIT ORGANIZATIONS)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2012**

	Program Services	General and Administrative	Fundraising	Total
Personnel expenses				
Personnel costs	\$ 5,659,575	\$ 290,832	\$ 313,082	\$ 6,263,489
Payroll taxes	193,254	21,324	24,212	238,790
Employee and volunteer benefits	228,442	7,486	8,428	244,356
Total personnel expenses	<u>6,081,271</u>	<u>319,642</u>	<u>345,722</u>	<u>6,746,635</u>
Other expenses				
Professional services	141,401	289,924	97,565	528,890
Equipment rental	1,526,261	-	-	1,526,261
Contract services	1,497,801	6,346	3,249	1,507,396
Relocation stipends, retrofit, repair and other grants to beneficiaries	1,287,551	-	-	1,287,551
Materials and supplies	691,170	-	-	691,170
Medical supplies	642,912	-	-	642,912
Depreciation	358,928	1,775	14,889	375,592
Event expenses	-	-	1,516,217	1,516,217
Grant expenses	275,291	-	-	275,291
Rent expense	222,934	37,187	1,860	261,981
Telephone and communication	191,271	8,383	2,399	202,053
Travel	51,286	58,251	80,150	189,687
Fuel and utilities	183,316	-	-	183,316
Office supplies	165,178	7,083	3,239	175,500
Repairs and maintenance	160,858	-	-	160,858
Staff training	150,467	-	-	150,467
Insurance	117,501	11,906	-	129,407
Bank fees	20,099	2,761	43,361	66,221
Printing and copying	47,221	1,429	10,314	58,964
Other expenses	24,957	2,017	19,551	46,525
Total other expenses	<u>7,756,403</u>	<u>427,062</u>	<u>1,792,794</u>	<u>9,976,259</u>
Total functional expenses	<u>\$ 13,837,674</u>	<u>\$ 746,704</u>	<u>\$ 2,138,516</u>	<u>\$ 16,722,894</u>

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

**J/P HAITIAN RELIEF ORGANIZATION
AND AFFILIATE
(NONPROFIT ORGANIZATIONS)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2012**

Cash flows from operating activities

Change in net assets	\$ 4,124,684
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Donation of in-kind equipment	(23,290)
Depreciation expense	375,592
(Increase) in	
Accounts receivable	(419,005)
Prepaid expenses and other assets	(2,560)
Increase (decrease) in	
Accounts payable	(327,843)
Accrued wages and payroll taxes	106,881
Accrued expenses	145,991
Deferred revenue	188,085
Net cash provided by operating activities	4,168,535

Cash flows from investing activities

Purchase of property and equipment	(179,582)
Net cash used in investing activities	(179,582)

Cash flows from financing activities

Proceeds from note payable	500,000
Net cash provided by financing activities	500,000

Net increase in cash 4,488,953

Cash, beginning of year 2,173,056

Cash, end of year **\$ 6,662,009**

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

**J/P HAITIAN RELIEF ORGANIZATION
AND AFFILIATE
(NONPROFIT ORGANIZATIONS)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012**

NOTE 1 – GENERAL

Organization

J/P Haitian Relief Organization (the “Relief 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 bring sustainable programs to Haitian people quickly and effectively. The Organization is dedicated to responding to the needs of Haitian people, and its programs include internally displaced person camp management and relocation of camp residents to permanent housing, community livelihood programs through its community center, education of K–6 children, medical services through its medical clinics, rubble removal and redevelopment of neighborhoods.

The Foundation for New Haiti dba Haiti Rising (“New Haiti”) is a 501(c)(3) organization which was established in July 2012 for the purpose of holding a major event to raise awareness of the continued suffering in Haiti and to reinvigorate charitable giving to support ongoing reconstruction efforts in Haiti. The financial statements of the Relief Organization are presented on a consolidated basis with the activities of New Haiti as of December 31, 2012, as it is 100% controlled by the Relief Organization (collectively, the “Organization”).

Funding

The Organization raises funds primarily through contributions from foundations, corporations and individual donors and grants from other nongovernmental organizations and foundations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the assets, liabilities, revenue and support, and functional expenses of the Relief Organization and New Haiti. All significant intercompany transactions have been eliminated in consolidation. Collectively, the consolidated entity is referred to as the “Organization.”

Basis of Presentation

The consolidated 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.

**J/P HAITIAN RELIEF ORGANIZATION
AND AFFILIATE
(NONPROFIT ORGANIZATIONS)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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, 2012, the Organization had no permanently restricted net assets.

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 year ended December 31, 2012, the Organization received donated medical supplies of \$467,092, materials and office supplies of \$397,374, fixed assets of \$23,290, office space valued at \$17,200 and volunteer services valued at \$225,516.

Cash and Cash Equivalents

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

**J/P HAITIAN RELIEF ORGANIZATION
AND AFFILIATE
(NONPROFIT ORGANIZATIONS)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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
Leasehold improvements	Shorter of estimated useful life or remaining lease period
Vehicles	5 years
Furniture and medical equipment	5 years
Computer and office equipment	2–3 years

Allowance for Doubtful Accounts

A provision for uncollected accounts receivables is provided, if necessary, based on management's judgment, including such factors as: prior collection history, type of contribution and when contributions are anticipated to be received. At December 31, 2012, no provision for uncollected accounts receivable was recorded.

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 Topic No. 360, *Accounting for the Impairment or Disposal of Long-lived Assets* ("ASC 360"). 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 year ended December 31, 2012.

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, 2012, all such items had been disbursed.

**J/P HAITIAN RELIEF ORGANIZATION
AND AFFILIATE
(NONPROFIT ORGANIZATIONS)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Deferred Revenue

Amounts received for events that have not yet occurred, amounts received which are subject to refund and other amounts which have not been earned are included in deferred revenue.

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 consolidated financial statements.

The Organization also applies the provisions of FASB Accounting Standard Codification 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. 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 consolidated 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**J/P HAITIAN RELIEF ORGANIZATION
AND AFFILIATE
(NONPROFIT ORGANIZATIONS)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimated Fair Value of Financial Instruments

As defined in FASB Accounting Standard Codification 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.

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.

**J/P HAITIAN RELIEF ORGANIZATION
AND AFFILIATE
(NONPROFIT ORGANIZATIONS)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 31, 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 grants and contributions from a few large organizations, a significant percentage of revenues relate to a small number of organizations. For the year ended December 31, 2012, three organizations accounted for 45% of total revenues and 86% of accounts receivable.

The Organization operates in Haiti, a foreign country, which does not have a history of 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 \$3,059,690 in Haitian cash accounts and \$685,365 in net fixed assets located in Haiti as of December 31, 2012.

Recently Issued Accounting Pronouncements

In October 2012, FASB issued Accounting Standards Update No. 2012-05, *Statement of Cash Flows*. This update requires an NFP to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale of donated financial assets that upon receipt were directed without any NFP-imposed limitations for sale and were converted nearly immediately into cash. Accordingly, the cash receipts from the sale of those financial assets should be classified as cash inflows from operating activities, unless the donor restricted the use of the contributed resources to long-term purposes, in which case those cash receipts should be classified as cash flows from financing activities. Otherwise, cash receipts from the sale of donated financial assets should be classified as cash flows from investing activities by the NFP. The Organization is required to apply the amendments for annual reporting periods beginning on or after June 15, 2013. The adoption of this update is not expected to have a material impact on the Organization’s consolidated financial statements.

**J/P HAITIAN RELIEF ORGANIZATION
AND AFFILIATE
(NONPROFIT ORGANIZATIONS)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued)

In April 2013, the FASB issued Accounting Standards Update No. 2013-06, *Services Received from Personnel of an Affiliate*. The amendments in this Update require a recipient not-for-profit entity to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity. Those services should be measured at the cost recognized by the affiliate for the personnel providing those services. However, if measuring a service received from personnel of an affiliate at cost will significantly overstate or understate the value of the service received, the recipient not-for-profit entity may elect to recognize that service received at either (1) the cost recognized by the affiliate for the personnel providing that service or (2) the fair value of that service. The amendments in this Update improve current U.S. GAAP by requiring all not for-profit entities to apply similar recognition and measurement bases for services received from personnel of an affiliate that directly benefit the recipient not-for profit entity and for which the affiliate does not charge the recipient not-for-profit entity. The Organization is required to apply the amendments for annual reporting periods beginning after June 15, 2014. The adoption of this update is not expected to have a material impact on the Organization's consolidated financial statements.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2012:

Temporary structures	\$ 382,667
Leasehold improvements	82,546
Vehicles	601,852
Furniture and medical equipment	247,762
Computer and office equipment	<u>106,730</u>
	1,421,557
Less accumulated depreciation	<u>715,703</u>
Property and equipment, net	<u>\$ 705,854</u>

Depreciation expense for the year ended December 31, 2012 amounted to \$375,592.

**J/P HAITIAN RELIEF ORGANIZATION
AND AFFILIATE
(NONPROFIT ORGANIZATIONS)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012**

NOTE 4 – DEFERRED REVENUE

Certain grants are considered exchange transactions where the agreements require the Organization to perform certain services in exchange for grant funds. For these grants, the Organization recognizes revenue based on actual services rendered as of the statement of financial position date in accordance with the terms of the agreements. If a grantor funds the project in advance of actual services, the Organization records the advance as deferred revenue. If the Organization has provided services under a grant agreement but has not billed the grantor, the Organization records an unbilled receivable. At December 31, 2012, the Organization recorded deferred revenue of \$340,417 under one grant agreement and \$124,975 for money received in advance of a 2013 event.

NOTE 5 – NOTE PAYABLE

The Organization entered into an unsecured, noninterest-bearing, loan agreement with a Haitian corporation for \$500,000. A balloon payment is due at maturity, originally February 28, 2013 although subsequent to year end the term of the note was extended to June 30, 2014.

NOTE 6 – NET ASSETS

Temporarily Restricted

Temporarily restricted net assets at December 31, 2012 were restricted by donors for specific programs of the Organization. The programs are as follows:

	Available December 31, <u>2011</u>	New <u>Revenues</u>	New <u>Expenditures</u>	Balance at December 31, <u>2012</u>
Camp management and relocation	\$ 72,135	\$ 1,114,143	\$(1,186,278)	\$ -
Housing and redevelopment activities	782,974	1,414,860	(218,400)	1,979,434
Medical program	361,586	1,352,087	(1,713,673)	-
Community livelihood and education	<u>233,479</u>	<u>429,664</u>	<u>(483,094)</u>	<u>180,049</u>
Total temporarily restricted net assets	<u>\$ 1,450,174</u>	<u>\$ 4,310,754</u>	<u>\$(3,601,445)</u>	<u>\$ 2,159,483</u>

**J/P HAITIAN RELIEF ORGANIZATION
AND AFFILIATE
(NONPROFIT ORGANIZATIONS)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012**

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Operating Leases

The Organization entered into various rental lease agreements during the year for both housing and office space. The total rental expense was \$261,981 for the year ended December 31, 2012.

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 8 – RELATED PARTIES

During the year ended December 31, 2012, the Organization received a total of \$1,099,000 in contributions from members of the Organization's board of directors and management.

NOTE 9 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 1, 2013, which is the date the consolidated financial statements were available to be issued.