

**THEO'S WORK, INC.**

**Financial Statements  
June 30, 2009**

MALESARDI, QUACKENBUSH, SWIFT & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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REPORT OF INDEPENDENT AUDITORS

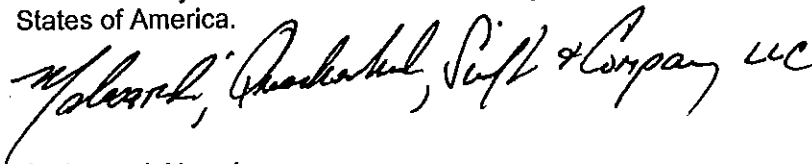
To the Board of Directors of

Theo's Work, Inc.

We have audited the accompanying statement of financial position of Theo's Work, Inc. (a Not-for-Profit organization) as of June 30, 2009, and the related statements of activities, cash flows and functional expenses 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 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 Theo's Work, Inc. as of June 30, 2009, 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.



Englewood, New Jersey  
May 12, 2010

THEO'S WORK, INC.

STATEMENT OF FINANCIAL POSITION  
June 30, 2009

ASSETS

CURRENT ASSETS:

Cash and equivalents

\$ 537,357

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable

\$ 17,902

Accrued payroll taxes

1,905

Due to Pwoje Espwa

14,000

Total Liabilities

33,807

NET ASSETS:

Unrestricted

489,550

Temporarily restricted

14,000

Total Net Assets

503,550

Total Liabilities and Net Assets

\$ 537,357

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

MALESARDI, QUACKENBUSH, SWIFT & COMPANY LLC

Certified Public Accountants

THEO'S WORK, INC.

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE:</b>			
Contributions	\$ 1,831,478	\$ 14,000	\$ 1,845,478
Donation - non cash	47,000	-	47,000
Interest and dividends	5,660	-	5,660
Net assets released from restrictions	14,000	(14,000)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>1,898,138</u>	<u>-</u>	<u>1,898,138</u>
<b>EXPENSES:</b>			
Program services	1,839,537	-	1,839,537
General and administrative	69,003	-	69,003
Fundraising	46,949	-	46,949
<b>TOTAL EXPENSES</b>	<u>1,955,489</u>	<u>-</u>	<u>1,955,489</u>
<b>CHANGE IN NET ASSETS</b>	<u>(57,351)</u>	<u>-</u>	<u>(57,351)</u>
<b>NET ASSETS, Beginning of Year</b>	<u>546,901</u>	<u>14,000</u>	<u>560,901</u>
<b>NET ASSETS, End of Year</b>	<u>\$ 489,550</u>	<u>\$ 14,000</u>	<u>\$ 503,550</u>

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

MALESARDI, QUACKENBUSH, SWIFT & COMPANY LLC  
Certified Public Accountants

THEO'S WORK, INC.

STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2009

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ (57,351)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Accounts payable	16,578
Accrued payroll taxes	1,905
Due to Rotary International	(56,000)
Due to Pwoje Espwa	14,000
	<hr/>
Net Cash Used in Operating Activities	(80,868)
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CASH AND EQUIVALENTS, Beginning of Year	618,225
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CASH AND EQUIVALENTS, End of Year	\$ 537,357
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MALESARDI, QUACKENBUSH, SWIFT & COMPANY LLC  
Certified Public Accountants

THEO'S WORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2009

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Donations to Pwoje Espwa:				
Orphanage operations	\$ 1,791,833	\$ -	\$ -	\$ 1,791,833
Assistance to individuals	7,000	-	-	7,000
Salary	15,333	7,667	-	23,000
Payroll taxes	1,858	929	-	2,787
Travel	-	5,992	5,991	11,983
Fundraising fees	-	-	12,735	12,735
Professional fees	-	19,952	-	19,952
Contract services	-	10,874	-	10,874
Office expenses	23,513	21,794	5,882	51,189
Advertising and publications	-	-	18,574	18,574
Insurance	-	1,795	-	1,795
Printing	-	-	3,767	3,767
Total	<u>\$ 1,839,537</u>	<u>\$ 69,003</u>	<u>\$ 46,949</u>	<u>\$ 1,955,489</u>

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

MALESARDI, QUACKENBUSH, SWIFT & COMPANY LLC  
Certified Public Accountants

THEO'S WORK, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 - NATURE OF ACTIVITIES AND ORGANIZATION:

Theo's Work, Inc. ("TWI") is a humanitarian, Not-for-Profit corporation that was founded in 1997 by Father Marc Boisvert, OMI ("Father Marc"), a former U.S. Navy chaplain who had been assigned to work with Haitian refugees being held in Cuba. TWI's overall mission is to support the humanitarian efforts of Pwoje Espwa in southern Haiti. Pwoje Espwa is a multi-faceted program serving the needs of over 1,000 children in Haiti through (1) basic shelter, food, medical care and treatment through the operation of an orphanage (approximately 25%), (2) educational and religious instruction (approximately 20%), (3) construction of additional orphanage facilities (approximately 20%), (4) transportation, energy, and administrative services (approximately 15%), and (5) staff and employee salaries (approximately 20%). Father Marc, who resides in Haiti, is responsible for managing the orphanage and providing the above services to the children.

TWI is primarily supported by contributions, gifts, and grants. The majority of these contributions, gifts, and grants are donated by TWI to Pwoje Espwa. In addition, all assets donated by TWI to Pwoje Espwa are owned by Pwoje Espwa. TWI does not retain ownership of these assets.

Alternate Name

On December 9, 2008, TWI registered an alternate name with the State of New Jersey. The alternate name to be used is Free The Kids.Org.

Beneficiaries of Services

TWI limits its benefits, services, and products to Pwoje Espwa. Recipients or beneficiaries are selected by Pwoje Espwa based upon the child's need for food, shelter, and medical assistance.

Pwoje Espwa's orphanage and village are home to approximately 575 children, providing shelter, food and clothing, at a cost of \$45 to \$60 per month per child depending on age. Pwoje Espwa houses approximately 30 additional children in separate quarters at the original orphanage in the city. Pwoje Espwa provides approximately 3,000 meals per day, 700-800 of which are provided for children who do not reside in the orphanage. In addition, there are 1,600 students in the Pwoje Espwa school system.

Financial Accountability

Father Marc is a member of a religious order who must obtain permission from the missionary oblates of Mary Immaculate prior to incurring expenses for Pwoje Espwa. The approval process is informal.

Income Taxes

TWI is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements do not reflect provisions for income taxes.

THEO'S WORK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

NOTE 1 - NATURE OF ACTIVITIES AND ORGANIZATION (CONTINUED):

Basis of Accounting

The financial statements of the TWI have been prepared on the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recognized when incurred.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Cash and Equivalents

For the purpose of the statement of cash flows, cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions 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 and reported in the statement of activities as net assets released from 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 of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses

The expenses have been allocated among programs based on an analysis of personnel time and expenses utilized for the related activities.

NOTE 3 - RESTRICTED NET ASSETS:

Net assets of \$14,000 were released from restriction during the fiscal year ended June 30, 2009.

THEO'S WORK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2009

NOTE 3 - RESTRICTED NET ASSETS (CONTINUED):

Temporarily restricted net assets in the amount of \$14,000 were received from Rotary International during the fiscal year ended June 30, 2009. TWI received these funds with the understanding that they would be available to Pwoje Espwa to perform sanitation work upon the satisfaction of Rotary International documentation requirements from Pwoje Espwa. As of June 30, 2009, the documentation was not sent to Rotary International. Subsequent to year end, the documentation requirement was satisfied and the \$14,000 was transferred to Pwoje Espwa in October 2009.

NOTE 4 - DONATED MATERIAL:

During the fiscal year ended June 30, 2009, TWI received a donation of 735 pairs of shoes from Nike. Nike estimated the retail value of their donation to be \$47,000. TWI showed the \$47,000 as a non-cash donation and included \$47,000 in program services for a donation to the orphanage operations.

NOTE 5 - CONCENTRATION OF CONTRIBUTIONS:

Unrestricted contributions in the amounts of \$1,831,478 were received during the year ended June 30, 2009. Of the amount received, the largest donor contributed approximately \$472,600, or approximately 26%, while various churches, community organizations and individuals contributed the balance of approximately \$1,358,878.

NOTE 6 - CONCENTRATION OF CREDIT RISK:

TWI maintains its cash in bank accounts at high credit quality financial institutions. The balances at times may exceed the federally insured limits.

NOTE 7 - SUBSEQUENT EVENTS:

Subsequent events have been evaluated through May 12, 2010, the date the financial statements were issued. No events have occurred subsequent to the statement of financial position date and through the date of issuance that would require adjustment to or disclosure in the accompanying financial statements.