

President's Message Bob Sumner

Looking back is very clear but looking ahead and removing the mist before bleary eyes takes a commitment of faith and trust in the basic goodness of community and growing relationships



The *Manos Amigas* Clinic which Serving at the Crossroads (SATC) helped establish has been running for 20 months now and we and our sister organization *Manos Amigas de Honduras* (MA), a non-governmental Honduran foundation, have become an integral part of the community of La Entrada. We have taken the first steps on the pathway of transformational development and the building of social infrastructure.

Our model is one of *Hondurans serving Hondurans*. At the clinic, local volunteer doctors from the community treat the impoverished in need of medical care. The clinic continues to demonstrate that it has a reliable, well-stocked pharmacy with a dependable supply chain of medications. Patients not only get a diagnosis, but also receive treatment and medications. Although the clinic is supported by SATC, the professional staff is empowered to make decisions and to administer programs under the direction of the MA Board of Directors. Like the volunteer doctors who work at the clinic, the Board serves without compensation.

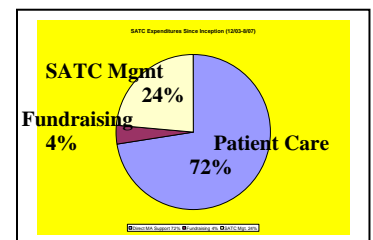
In 2006, SATC took the unprecedented steps in the community of providing funding to purchase 7 acres of prime land along the Pan American Highway at the edge of town and having the property deeded to MA for the construction of a new clinic. The clinic will offer additional healthcare services, including expanded medical, dental, auditory and ophthalmological programs. The titling of the land to the MA foundation not only demonstrated our commitment but also solidified relationships with the community.

We are on the way to building a sustainable clinic. After almost two years of operation, our clinic doors are still open to all. Medications continue to be available. Dedicated and caring healthcare staff work long hours responding to patient needs. Peer groups outside the community have begun to recognize clinic efforts with awards, like the one received from the Washington, DC based Institute for Technology in Health Care.

Although our primary focus is on medicine, this was the year we recognized that the challenges faced in La Entrada are larger than simply practicing medicine. It was important to see that the big picture encompassed much more than applying medical skills. We are confronted by the Circle of Poverty – a cycle that needs to be broken in more than one place and by more than a single organization. To this end, we dedicated ourselves in enlisting partners who shared our vision and would willingly share their gifts and special talents with the Honduran community.

Our financial picture is encouraging as we attempt to build a sustainable funding network in support of the MA clinic. Since our inception, SATC has received over \$650,000 in cash donations, which has allowed MA to serve over 14,000 patients at our interim clinic during its first 24 months. We have sufficient resources for the construction of a new clinic. In addition, SATC has been the recipient of in-kind donations of equipment, materials and supplies that, if new, are estimated to be valued in excess of \$500,000. In addition to our normal fund raising efforts, SATC created an Endowment Fund hoping, over time, to build that Fund to a size which will support the operating costs of our new clinic.

We strive to make efficient use of the funds donated to us. Physicians, Board members of SATC and MA serve as volunteers and receive no salaries. Since our inception in 2003, 72% of all monies donated to SATC have gone directly to patient care provided by MA. Adding the value of the in-kind donations of material, supplies and medications, fully 96% of all donations to SATC have been used in support of medical services to the community. Only 4% have been used in fund raising activities.

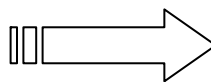


The year 2006 can best be characterized as synergistic for SATC and the beginning of realizing dreams that our partners in Honduras could not envision for themselves if they only looked inward and relied solely on their own resources. Of course my friends, none of what has been accomplished to date would have taken place without your prayers, gifts and special offerings. For these blessings we are ever grateful and thankful.

Milestones - 2006



Key Accomplishment



Result

- | | |
|---|---|
| ◆ Interim Clinic in operation for 20 months | ➤ 11,600 patients treated |
| ◆ MA transitions and broadens its base with 4 new Board members | ➤ New skill sets aid Executive Board - Sonia Bustamante re-elected Board President |
| ◆ 7A of land purchased and deeded to MA for new expanded clinic | ➤ Commitment to community - solidifies relationships with civic leaders, foundations and NGOs |
| ◆ World Vision Commitment | ➤ A willing partner seeks another NGO to cost-share in drilling well and pumping water for clinic |
| ◆ Architectural drawings prepared for new clinic | ➤ Sharing of dreams and accommodation of ideas that prayerfully can become realities |
| ◆ Mentoring relationship with Eastern University | ➤ Contextual perspective and guidance for social and community development projects |
| ◆ Habitat for Humanity commitment | ➤ Indirect support to SATC by providing \$5,000/ yr for 5 yrs directly to community to improve living conditions |
| ◆ MA conducts enquire (survey) | ➤ Clinic staff introduce themselves with 1,000+ in-home visits, launch health survey and pre-qualify patients for services |
| ◆ Master Plan Proposal for new clinic and campus | ➤ Programmed growth and inter linked activities to support sustainable healthcare in the region |
| ◆ Loss of full-time paid physician | ➤ A Blessing! Clinic operates full-time with four volunteer physicians |
| ◆ Operation Smile becomes partner | ➤ MA doctors receive training, provide post-operative care for patients and children have access to corrective facial surgeries |
| ◆ Relationship with CURE International | ➤ 80 – 90% chance of successful correction of scoliosis and angular deformities of children's limbs |
| ◆ Clinic recognized with Healthcare Award | ➤ International acknowledgement by Institute for Technology in Healthcare + cash award |
| ◆ Government acceptance of environmental site assessment and approval to build new clinic | ➤ "Green light" to proceed with obtaining bids for construction of new clinic |

STATEMENT OF FINANCIAL POSITION
December 31, 2006

ASSETS	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED
CURRENT ASSETS				
Cash and cash equivalents				
Checking	\$265,284	\$265,284	\$1,000	0
Short-term investments	0	0	0	0
Contributions receivable	500	500	0	0
TOTAL CURRENT ASSETS	<u>265,784</u>	<u>264,784</u>	<u>1,000</u>	<u>0</u>
OTHER ASSETS				
Long-term investments	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$365,784</u>	<u>\$364,784</u>	<u>\$1,000</u>	<u>0</u>

LIABILITIES AND NET ASSETS	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED
CURRENT LIABILITIES				
Accrued expenses	<u>-\$950</u>	<u>\$950</u>	<u>0</u>	<u>0</u>
TOTAL CURRENT LIABILITIES	<u>950</u>	<u>950</u>	<u>0</u>	<u>0</u>
NET ASSETS	<u>364,834</u>	<u>363,834</u>	<u>1,000</u>	<u>0</u>
	<u>\$365,784</u>	<u>\$364,784</u>	<u>\$1,000</u>	<u>0</u>

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2006

	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED
REVENUE				
Contributions				
Corporations and Foundations	\$41,975	\$40,975	\$1,000	0
Individuals	103,020	103,020	0	0
In-kind	0	0	0	0
Sponsorship Program Booklet income	4,950	4,950	0	0
Art show income	5,895	5,895	0	0
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of time requirement and program restrictions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>155,840</u>	<u>154,840</u>	<u>1,000</u>	<u>0</u>
Other Income				
Interest and dividend income	14,007	14,007	0	0
Realized gains and losses	(1,118)	(1,118)	0	0
Unrealized gains and losses	1,199	1,199	0	0
Miscellaneous income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>14,088</u>	<u>14,088</u>	<u>0</u>	<u>0</u>
TOTAL REVENUE	<u>\$169,928</u>	<u>\$168,928</u>	<u>\$1,000</u>	<u>0</u>
EXPENSES				
Program costs	\$103,540	\$103,540	0	0
Art show expenses	13,155	13,155	0	0
Fundraising costs	150	150	0	0
General and administrative	<u>6,517</u>	<u>6,517</u>	<u>0</u>	<u>0</u>
	<u>123,362</u>	<u>123,362</u>	<u>0</u>	<u>0</u>
CHANGE IN NET ASSETS	<u>46,566</u>	<u>46,566</u>	<u>1,000</u>	<u>0</u>
NET ASSETS BEGINNING of YR	<u>318,268</u>	<u>318,268</u>	<u>0</u>	<u>0</u>
NET ASSETS END of PERIOD	<u>\$364,834</u>	<u>\$363,834</u>	<u>\$1,000</u>	<u>0</u>

The complete audited financial statements are available upon request.