

**REPHEKA HAITI, INC**  
Financial Statements  
and  
Independent Accountants' Review Report

December 31, 2014 and 2013

**Repheka Haiti, Inc.**

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## **Daniel Dennis & Company LLP**

*Certified Public Accountants*

To The Board of Directors  
**Repheka Haiti, Inc.**  
Boston, Massachusetts

### *Independent Accountants' Review Report*

We have reviewed the accompanying statements of financial position of Repheka Haiti, Inc. (a nonprofit organization) as of December 2014 and 2013 and the related statements of activities, functional expenses and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Repheka Haiti, Inc's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Daniel Dennis & Company LLP*

*November 10, 2015*

**Repheka Haiti, Inc.**  
**Statements of Financial Position**  
**December 2014 and 2013**

**Assets**

<i>Current Assets</i>	<i>2014</i>	<i>2013</i>
Cash	\$ 46,269	\$ 39,200
Accounts receivable	1,731	3,036
Prepaid expenses	<u>19,071</u>	<u>7,418</u>
Total current assets	<u>67,071</u>	<u>49,654</u>
 <i>Fixed Assets</i>		
Equipment	46,395	14,633
Vehicle	<u>34,604</u>	<u>34,604</u>
Total fixed assets	80,999	49,237
Less: accumulated depreciation	<u>(23,430)</u>	<u>(12,257)</u>
Net fixed assets	<u>57,569</u>	<u>36,980</u>
 <i>Other Assets</i>		
Deposit	<u>300</u>	<u>300</u>
Total assets	<u>\$ 124,940</u>	<u>\$ 86,934</u>

**Liabilities and Net Assets**

<i>Current Liabilities</i>		
Accounts payable	\$ 9,018	\$ 3,432
Accrued expenses	2,758	1,054
Loan payable - current portion	<u>4,544</u>	<u>9,991</u>
Total current liabilities	<u>16,320</u>	<u>14,477</u>
 <i>Long Term Liabilities</i>		
Loan payable	<u>-</u>	<u>5,478</u>
Total liabilities	<u>16,320</u>	<u>19,955</u>
Unrestricted net assets	<u>108,620</u>	<u>66,979</u>
Total liabilities and net assets	<u>\$ 124,940</u>	<u>\$ 86,934</u>

*See accompanying notes to financial statements and accountants' review report.*

**Repheka Haiti, Inc.**  
**Statements of Activities**  
For the Years Ended December 2014 and 2013

***Change In Unrestricted Net Assets***

<i>Revenues</i>	<i>2014</i>	<i>2013</i>
Contributions	\$ 365,733	\$ 381,976
Program Income	124,482	106,684
Interest Income	10	-
Miscellaneous Income	<u>7,058</u>	<u>-</u>
Total revenue	<u>497,283</u>	<u>488,660</u>
 <i>Expenses</i>		
Program	418,533	412,879
General and administrative	<u>37,109</u>	<u>38,502</u>
Total expenses	<u>455,642</u>	<u>451,381</u>
Change in unrestricted net assets	41,641	37,279
Net assets - beginning of the year	<u>66,979</u>	<u>29,700</u>
Net assets - end of year	<u>\$ 108,620</u>	<u>\$ 66,979</u>

*See accompanying notes to financial statements and accountants' review report.*

**Repheka Haiti, Inc.**  
 Statements of Functional Expenses  
 For the Years Ended December 2014 and 2013

	<i>2014</i>			<i>2013</i>		
	<i>Program</i>	<i>General and Administrative</i>	<i>Total</i>	<i>Program</i>	<i>General and Administrative</i>	<i>Total</i>
Salaries	\$ 102,060	\$ 25,515	\$ 127,575	\$ 100,800	\$ 25,200	\$ 126,000
Other employee benefits	13,575	3,394	16,969	12,400	3,100	15,500
Payroll taxes	8,779	2,195	10,974	8,914	2,228	11,142
Contract medical staff	179,251	-	179,251	176,257	-	176,257
Medical supplies	56,081	-	56,081	54,011	-	54,011
Travel and transportation	2,711	678	3,389	3,349	837	4,186
Supplies and office expense	2,110	527	2,637	1,804	451	2,255
Telephone and internet	2,615	-	2,615	1,660	-	1,660
Professional fees	9,305	2,326	11,631	16,880	4,220	21,100
Repairs and maintenance	9,165	-	9,165	2,878	-	2,878
Rent expense	10,333	-	10,333	11,300	-	11,300
Other operating costs	12,648	-	12,648	12,758	-	12,758
Interest	961	240	1,201	1,966	491	2,457
Depreciation	8,939	2,234	11,173	7,902	1,975	9,877
	<u>8,939</u>	<u>2,234</u>	<u>11,173</u>	<u>7,902</u>	<u>1,975</u>	<u>9,877</u>
Total	<u>\$ 418,533</u>	<u>\$ 37,109</u>	<u>\$ 455,642</u>	<u>\$ 412,879</u>	<u>\$ 38,502</u>	<u>\$ 451,381</u>

*See accompanying notes to financial statements and accountants' review report.*

**Repheka Haiti, Inc.**  
**Statements of Cash Flows**  
For the Years Ended December 2014 and 2013

<i>Cash Flows From Operating Activities</i>	<i>2014</i>	<i>2013</i>
Change in net assets	\$ 41,641	\$ 37,279
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	11,173	9,877
Changes in:		
Accounts receivable	1,305	59
Prepaid expenses	(11,653)	(2,468)
Accounts payable	5,586	350
Accrued expenses	1,704	(6,847)
Net cash provided by operating activities	<u>49,756</u>	<u>38,250</u>
 <i>Cash Flows From Investing Activities</i>		
Purchase of fixed assets	<u>(31,762)</u>	<u>(11,618)</u>
Net cash used by investing activities	<u>(31,762)</u>	<u>(11,618)</u>
 <i>Cash Flows From Financing Activities</i>		
Principal paid on long-term debt	<u>(10,925)</u>	<u>(11,784)</u>
Net cash used by financing activities	<u>(10,925)</u>	<u>(11,784)</u>
 Increase in cash	7,069	14,848
Cash at beginning of year	<u>39,200</u>	<u>24,352</u>
Cash at end of year	<u>\$ 46,269</u>	<u>\$ 39,200</u>
 Cash paid for interest during 2014	<u>\$ 1,201</u>	<u>\$ 2,457</u>

*See accompanying notes to financial statements and accountants' review report.*

**Repheka Haiti, Inc.**  
Notes to Financial Statements  
December 2014 and 2013

**1. *Nature of Activities***

Repheka Haiti, Inc. (the Corporation) was organized in September 2010 as a Massachusetts non-profit corporation. Its primary purpose is to provide affordable quality health care to the people of Haiti and to advance the impact of the Gospel of Jesus Christ for people living in distressed communities by improving their health outcomes through partnership with local churches and community based organizations. The Corporation operates two health clinics in Haiti pursuing a patient – centered approach to health care at reduced charges to patients at the lowest levels possible. The Corporation's primary sources of revenue are foundation contributions and patient charges.

**2. *Summary of Significant Accounting Policies***

*Accounting Method*

The Corporation's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

*Financial Statement Presentation*

The Corporation presents its financial statements under three classes of net assets: unrestricted, temporarily restricted and permanently restricted. The Corporation had no temporarily or permanently restricted net assets at December 2014 and 2013.

*Revenue Recognition*

Program revenue is recognized as service is provided and patients are charged. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

*Property and Equipment*

Property and equipment are stated at cost. Major improvements and betterments to existing property are capitalized. Expenditures for maintenance and repairs which do not extend the lives of the applicable assets are expensed as incurred. Depreciation is computed using conventional methods over the estimated useful lives of the assets.

*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 certain reported amounts and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Repheka Haiti, Inc.**  
Notes to Financial Statements - *Continued*  
December 2014 and 2013

**2. *Summary of Significant Accounting Policies - Continued***

*Income Taxes*

The Corporation is exempt from income taxes as a non-profit corporation under Section 501(c)(3) of the U.S. Internal Revenue Code and is also exempt from state income taxes, except for income taxes on unrelated business income, if any. For the years ended December 31, 2014 and 2013, the Corporation had no unrelated business income subject to income taxes. Accordingly, no provision for income taxes has been included in these financial statements.

The Corporation evaluates tax positions taken or expected to be taken in its tax returns to determine whether the tax positions are more-likely-than-not of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold, along with accrued interest and penalty thereon would be recorded as an expense in the current year financial statements. At December 31, 2014 the Corporation believes that it has no uncertain tax positions within its open tax years, (2013 - 2010).

*Functional Expenses*

The costs of providing program services and administration have been summarized on a functional basis. Accordingly, certain costs have been allocated based on direct charges and personnel time estimates.

*Accounting for Planned Major Maintenance Activities*

The Corporation uses the direct expensing method to account for planned major maintenance activities, under which actual costs incurred are expensed directly when maintenance is performed.

**3. *Leases***

During 2014 and 2013 the Corporation entered into lease agreements for its program facilities in Haiti which expire in 2016. Rent expense for the years ended December 2014 and 2013 was \$10,333 and \$11,300, respectively. The future minimum lease payments due during 2015 and 2016 total \$16,700 and \$5,917, respectively.

**4. *Concentration***

The Corporation's 2014 and 2013 contribution income includes one grant per year made by HaitiServe Foundation in the annual amount of \$365,000 representing 73% and 77% of total revenue for 2014 and 2013, respectively. HaitiServe Foundation has continued to provide significant funding of the Corporation's activities through 2014. Although there is no indication that this funding will not continue, discontinued contributions from this single donor would significantly impact future operations.

**Repheka Haiti, Inc.**  
Notes to Financial Statements - *Continued*  
December 2014 and 2013

**5. *Long-Term Debt***

The Corporation entered into a loan agreement to provide funds for the purchase of a vehicle in 2012 in the original amount of \$29,450. The loan bears interest at 7.9% and requires thirty-six equal monthly installments for principal and interest of \$921.50. The loan is due and payable in full on September 9, 2015, the maturity date. As of December 31, 2014, the outstanding loan balance is \$4,544.

**6. *Subsequent Events***

The Corporation has performed an evaluation of subsequent events through November 10<sup>th</sup>, 2015 which is the date the Corporation's financial statements were available to be issued. No material subsequent events have occurred since December 31, 2014 that required recognition or disclosure in these financial statements.