

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

December 31, 2015 and 2014

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 financial statements of Repheka Haiti, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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 accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Daniel Dennis & Company LLP". The signature is written in a cursive, flowing style.

Dedham, MA

November 6, 2016

Repheka Haiti, Inc.
Statements of Financial Position
December 2015 and 2014

Assets

<i>Current Assets</i>	<i>2015</i>	<i>2014</i>
Cash	\$ 67,332	\$ 46,269
Accounts receivable	517	1,731
Prepaid expenses	<u>8,892</u>	<u>19,071</u>
Total current assets	<u>76,741</u>	<u>67,071</u>
 <i>Fixed Assets</i>		
Equipment	58,650	46,395
Vehicle	<u>34,604</u>	<u>34,604</u>
Total fixed assets	93,254	80,999
Less: accumulated depreciation	<u>(42,513)</u>	<u>(23,430)</u>
Net fixed assets	<u>50,741</u>	<u>57,569</u>
 <i>Other Assets</i>		
Deposit	<u>701</u>	<u>300</u>
Total assets	<u><u>\$ 128,183</u></u>	<u><u>\$ 124,940</u></u>

Liabilities and Net Assets

<i>Current Liabilities</i>		
Accounts payable	\$ 6,388	\$ 9,018
Accrued expenses	-	2,758
Loan payable - current portion	<u>-</u>	<u>4,544</u>
Total current liabilities	<u>6,388</u>	<u>16,320</u>
Total liabilities	<u>6,388</u>	<u>16,320</u>
Unrestricted net assets	<u>121,795</u>	<u>108,620</u>
Total liabilities and net assets	<u><u>\$ 128,183</u></u>	<u><u>\$ 124,940</u></u>

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

Repheka Haiti, Inc.
Statements of Activities
For the Years Ended December 2015 and 2014

Change In Unrestricted Net Assets

<i>Revenues</i>	<i>2015</i>	<i>2014</i>
Contributions	\$ 304,108	\$ 365,733
Program Income	144,602	124,482
Interest Income	6	10
Miscellaneous Income	<u>111</u>	<u>7,058</u>
Total revenue	<u>448,827</u>	<u>497,283</u>
 <i>Expenses</i>		
Program	395,226	418,533
General and administrative	<u>40,426</u>	<u>37,109</u>
Total expenses	<u>435,652</u>	<u>455,642</u>
Change in unrestricted net assets	13,175	41,641
Net assets - beginning of the year	<u>108,620</u>	<u>66,979</u>
Net assets - end of year	<u><u>\$ 121,795</u></u>	<u><u>\$ 108,620</u></u>

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

Repheka Haiti, Inc.
 Statements of Functional Expenses
 For the Years Ended December 2015 and 2014

	<i>2015</i>			<i>2014</i>		
	<i>Program</i>	<i>General and Administrative</i>	<i>Total</i>	<i>Program</i>	<i>General and Administrative</i>	<i>Total</i>
Salaries	\$ 102,312	\$ 25,578	\$ 127,890	\$ 102,060	\$ 25,515	\$ 127,575
Other employee benefits	11,334	2,833	14,167	13,575	3,394	16,969
Payroll taxes	8,402	2,101	10,503	8,779	2,195	10,974
Contract medical staff	162,230	-	162,230	179,251	-	179,251
Medical supplies	49,023	-	49,023	56,081	-	56,081
Travel and transportation	3,595	899	4,494	2,711	678	3,389
Supplies and office expense	2,458	614	3,072	2,110	527	2,637
Telephone and internet	971	-	971	2,615	-	2,615
Professional fees	18,080	4,520	22,600	9,305	2,326	11,631
Repairs and maintenance	2,821	-	2,821	9,165	-	9,165
Rent expense	12,308	-	12,308	10,333	-	10,333
Other operating costs	6,165	-	6,165	12,648	-	12,648
Interest	260	65	325	961	240	1,201
Depreciation	15,266	3,817	19,083	8,939	2,234	11,173
	<u>15,266</u>	<u>3,817</u>	<u>19,083</u>	<u>8,939</u>	<u>2,234</u>	<u>11,173</u>
Total	<u>\$ 395,226</u>	<u>\$ 40,426</u>	<u>\$ 435,652</u>	<u>\$ 418,533</u>	<u>\$ 37,109</u>	<u>\$ 455,642</u>

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

Repheka Haiti, Inc.
Statements of Cash Flows
For the Years Ended December 2015 and 2014

<i>Cash Flows From Operating Activities</i>	<i>2015</i>	<i>2014</i>
Change in net assets	\$ 13,175	\$ 41,641
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	19,083	11,173
Changes in:		
Accounts receivable	1,214	1,305
Prepaid expenses	10,179	(11,653)
Accounts payable	(2,630)	5,586
Deposits	(401)	-
Accrued expenses	<u>(2,758)</u>	<u>1,704</u>
Net cash provided by operating activities	<u>37,862</u>	<u>49,756</u>
 <i>Cash Flows From Investing Activities</i>		
Purchase of fixed assets	<u>(12,255)</u>	<u>(31,762)</u>
Net cash used by investing activities	<u>(12,255)</u>	<u>(31,762)</u>
 <i>Cash Flows From Financing Activities</i>		
Principal paid on long-term debt	<u>(4,544)</u>	<u>(10,925)</u>
Net cash used by financing activities	<u>(4,544)</u>	<u>(10,925)</u>
 Increase in cash	21,063	7,069
Cash at beginning of year	<u>46,269</u>	<u>39,200</u>
Cash at end of year	<u>\$ 67,332</u>	<u>\$ 46,269</u>
 Cash paid for interest	<u>\$ 325</u>	<u>\$ 1,201</u>

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

Repheka Haiti, Inc.
Notes to Financial Statements
December 2015 and 2014

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 2015 and 2014.

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 2015 and 2014

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, 2015 and 2014, 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, 2015 the Corporation believes that it has no uncertain tax positions within its open tax years, (2014 - 2012).

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 2015 and 2014 the Corporation entered into lease agreements for its program facilities in Haiti which expire in 2018. Rent expense for the years ended December 2015 and 2014 was \$12,308 and \$10,333, respectively. The future minimum lease payments due during 2016, 2017, and 2018 total \$6,250, \$5,000 and \$1,250, respectively.

4. *Concentration*

The Corporation's 2015 and 2014 contribution income includes one grant per year made by HaitiServe Foundation in the amount of \$303,750 and \$365,000 for 2015 and 2014 respectively. The contribution amounts represent 68% and 73% of total revenue for 2015 and 2014, respectively. HaitiServe Foundation has discontinued support of Corporation's activities as of February, 2016. Discontinued contributions from this single donor will significantly impact future operations.

Repheka Haiti, Inc.
Notes to Financial Statements - *Continued*
December 2015 and 2014

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 was paid in full during 2015.

6. *Subsequent Events*

As disclosed in Note 4, effective February 2016, the Corporation's major contributor has discontinued its support. In response the Corporation has initiated alternative more diversified fundraising activities and reduced operational costs. The Corporation intends to continue to serve its constituency in the future.

The Corporation has performed an evaluation of subsequent events November 6, 2016 which is the date the Corporation's financial statements were available to be issued. No material subsequent events have occurred since December 31, 2015 that required recognition or disclosure in these financial statements.