

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

December 31, 2012

**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 statement of financial position of Repheka Haiti, Inc. (a nonprofit organization) as of December 31, 2012 and the related statements of activities, functional expenses and cash flows for the year 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 12, 2013*

**Repheka Haiti, Inc.**  
Statement of Financial Position  
December 31, 2012

**Assets**

*Current Assets*

Cash		\$ 24,352
Accounts receivable		3,095
Prepaid expenses		<u>4,950</u>
Total current assets		<u>32,397</u>

*Fixed Assets*

Equipment		3,015
Vehicle		<u>34,604</u>
Total fixed assets		37,619
Less: accumulated depreciation		<u>(2,380)</u>
Net fixed assets		<u>35,239</u>

*Other Assets*

Deposit		<u>300</u>
Total assets		<u><u>\$ 67,936</u></u>

**Liabilities and Net Assets**

*Current Liabilities*

Accounts payable		\$ 3,082
Accrued expenses		7,901
Loan payable - current portion		<u>9,234</u>
Total current liabilities		<u>20,217</u>

*Long Term Liabilities*

Loan payable		<u>18,019</u>
Total liabilities		<u>38,236</u>
Unrestricted net assets		<u>29,700</u>
Total liabilities and net assets		<u><u>\$ 67,936</u></u>

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

**Repheka Haiti, Inc.**  
Statement of Activities  
For the Year Ended December 31, 2012

***Change In Unrestricted Net Assets***

*Revenues*

Contributions	\$ 366,618
Program income	<u>72,787</u>
Total revenue	<u>439,405</u>

*Expenses*

Program	400,787
General and administrative	30,428
Fundraising	<u>2,160</u>
Total expenses	<u>433,375</u>

Change in unrestricted net assets	6,030
Net assets - beginning of the year	<u>23,670</u>
Net assets - end of year	<u><u>\$ 29,700</u></u>

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

**Repheka Haiti, Inc.**  
Statement of Functional Expenses  
For the Year Ended December 31, 2012

	<i>Program</i>	<i>General and Administrative</i>	<i>Fundraising</i>	<i>Total</i>
Salaries and other benefits	\$ 86,400	\$ 19,440	\$ 2,160	\$ 108,000
Other employee benefits	13,200	3,300	-	16,500
Payroll taxes	8,798	2,199	-	10,997
Contract medical staff	186,512	-	-	186,512
Medical supplies	49,862	-	-	49,862
Travel and transportation	7,139	471	-	7,610
Supplies and office expense	1,888	472	-	2,360
Telephone and internet	265	66	-	331
Professional fees	15,200	3,800	-	19,000
Repairs and maintenance	5,574	-	-	5,574
Rent expense	10,750	-	-	10,750
Other operating costs	12,841	91	-	12,932
Interest	454	113	-	567
Depreciation	1,904	476	-	2,380
	<u>400,787</u>	<u>30,428</u>	<u>2,160</u>	<u>433,375</u>
Total	<u>\$ 400,787</u>	<u>\$ 30,428</u>	<u>\$ 2,160</u>	<u>\$ 433,375</u>

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

**Repheka Haiti, Inc.**  
Statement of Cash Flows  
For the Year Ended December 31, 2012

<i>Cash Flows From Operating Activities</i>	
Change in net assets	\$ 6,030
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	2,380
Changes in:	
Accounts receivable	588
Prepaid expenses	2,849
Accounts payable	2,682
Accrued expenses	<u>7,031</u>
Net cash provided by operating activities	<u>21,560</u>
 <i>Cash Flows From Investing Activities</i>	
Purchase of fixed assets	<u>(37,619)</u>
Net cash used by investing activities	<u>(37,619)</u>
 <i>Cash Flows From Financing Activities</i>	
Proceeds from long-term debt	29,450
Principal paid on long-term debt	<u>(2,197)</u>
Net cash provided by financing activities	<u>27,253</u>
 Increase in cash	 11,194
Cash at beginning of year	<u>13,158</u>
Cash at end of year	<u>\$ 24,352</u>
 Cash paid for interest during 2012	 <u>\$ 567</u>

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

**Repheka Haiti, Inc.**  
Notes to Financial Statements  
December 31, 2012

**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 31, 2012.

*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 on 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 31, 2012

**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 year ended December 31, 2012, 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, 2012 the Corporation believes that it has no uncertain tax positions within its open tax years, (2012 - 2011).

*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 2012 the Corporation entered into lease agreements for its program facilities in Haiti which expire in 2013. Rent expense for the year ended December 31, 2012 was \$10,750. The future minimum lease payments due during 2013 total \$4,950. This amount has been paid and is included in prepaid expense at December 31, 2012.

**4. *Concentration***

The Corporation's 2012 contribution income includes of one grant made by HaitiServe Foundation in the amount of \$365,000 representing 83% of total revenue for 2012. HaitiServe Foundation has continued to provide significant funding of the Corporation's activities through 2012. 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 31, 2012

**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, 2012, the outstanding loan balance is \$27,253.

Future principal payments are \$9,235 in 2013, \$9,991 in 2014 and \$8,027 in 2015.

**6. *Subsequent Events***

The Corporation has performed an evaluation of subsequent events through November 12, 2013, which is the date the Corporation's financial statements were available to be issued. No material subsequent events have occurred since December 31, 2012 that required recognition or disclosure in these financial statements.