

**REVIEWED  
FINANCIAL STATEMENTS**

**COMMUNITY HEALTH AND EDUCATION FOR  
RURAL AFRICA, INC.**

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**DECEMBER 31, 2015**

**COMMUNITY HEALTH AND EDUCATION FOR RURAL AFRICA, INC.**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of  
Community Health and Education for Rural Africa, Inc.  
Melbourne, Florida

We have reviewed the accompanying financial statements of Community Health and Education for Rural Africa Inc. (CHERA), which comprise the statements of assets, liabilities, and net assets-cash basis as of December 31, 2015 and 2014, and the related statements of revenue collected and expenses paid and changes in net assets-cash basis, 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 statement 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 the cash basis of accounting; this includes determining that the basis of accounting CHERA uses is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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 the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### ***Accountant's Conclusion***

Based on our reviews, 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 the cash basis of accounting.

### ***Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

*Freed Maxick CPAs, P.C.*

Batavia, New York  
August 12, 2016

COMMUNITY HEALTH AND EDUCATION FOR RURAL AFRICA, INC.

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - CASH BASIS

December 31,

SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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<b>ASSETS</b>	<u>2015</u>	<u>2014</u>
<b>Current assets:</b>		
Cash	\$ 158,622	\$ 135,094
Security deposits	<u>3,200</u>	<u>-</u>
Total assets	<u>\$ 161,822</u>	<u>\$ 135,094</u>
 <b>NET ASSETS</b>		
Unrestricted	\$ 106,054	\$ 38,965
Temporarily restricted	<u>55,768</u>	<u>96,129</u>
Total net assets	<u>\$ 161,822</u>	<u>\$ 135,094</u>

See accompanying notes.

**COMMUNITY HEALTH AND EDUCATION FOR RURAL AFRICA, INC.**

**STATEMENTS OF REVENUE COLLECTED AND EXPENSES PAID AND CHANGES IN NET ASSETS - CASH BASIS**

**For the Year Ended December 31, 2015**

**SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Contributions and memorials	\$ 216,330	\$ -	\$ 216,330
Investment Income	280	-	280
Total support and revenue	<u>216,610</u>	<u>-</u>	<u>216,610</u>
Expenses:			
Program:			
Clinic support	75,969	-	75,969
Education sponsorship	84,232	-	84,232
Outreach activities	19,900	-	19,900
Total program expenses	<u>180,101</u>	<u>-</u>	<u>180,101</u>
Supporting services:			
Supplies and bank charges	2,313	-	2,313
Professional fees	7,468	-	7,468
Total supporting services expense	<u>9,781</u>	<u>-</u>	<u>9,781</u>
Total expenses	<u>189,882</u>	<u>-</u>	<u>189,882</u>
Increase (decrease) in net assets	26,728	-	26,728
Non-operating activities:			
Release from restrictions	40,361	(40,361)	-
Net assets - beginning	<u>38,965</u>	<u>96,129</u>	<u>135,094</u>
Net assets - ending	<u>\$ 106,054</u>	<u>\$ 55,768</u>	<u>\$ 161,822</u>

See accompanying notes.

**COMMUNITY HEALTH AND EDUCATION FOR RURAL AFRICA, INC.**

**STATEMENTS OF REVENUE COLLECTED AND EXPENSES PAID AND CHANGES IN NET ASSETS - CASH BASIS**

**For the Year Ended December 31, 2014**

**SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Contributions and memorials	\$ 263,407	\$ 11,452	\$ 274,859
Investment Income	119	-	119
Total support and revenue	<u>263,526</u>	<u>11,452</u>	<u>274,978</u>
Expenses:			
Program:			
Clinic support	51,959	-	51,959
Education sponsorship	84,130	-	84,130
Outreach activities	114,274	-	114,274
Total program expenses	<u>250,363</u>	<u>-</u>	<u>250,363</u>
Supporting services:			
Supplies and bank charges	1,280	-	1,280
Professional fees	19,037	-	19,037
Total supporting services expense	<u>20,317</u>	<u>-</u>	<u>20,317</u>
Total expenses	<u>270,680</u>	<u>-</u>	<u>270,680</u>
Increase (decrease) in net assets	(7,154)	11,452	4,298
Non-operating activities:			
Return of contributions	-	(350,056)	(350,056)
Net assets - beginning	<u>46,119</u>	<u>434,733</u>	<u>480,852</u>
Net assets - ending	<u>\$ 38,965</u>	<u>\$ 96,129</u>	<u>\$ 135,094</u>

See accompanying notes.

# COMMUNITY HEALTH AND EDUCATION FOR RURAL AFRICA, INC.

## NOTES TO THE FINANCIAL STATEMENTS

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### SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Operations:** The Community Health and Education for Rural Africa, Inc. (CHERA), previously Bishop Maserka Christian Foundation (U.S.), Inc. is a not-for-profit organization incorporated on August 16, 2002 under the New York State Corporation Laws. CHERA spreads awareness and support for those infected by HIV/AIDS and the Children orphaned by HIV/AIDS in Uganda.

**Basis of Accounting:** CHERA maintains its books and prepares its financial statements on the cash basis of accounting whereby contributions and grants are recognized when cash is received and expenses are recorded as cash is disbursed.

**Financial Statement Presentation:** CHERA reports information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

- **Unrestricted:** Unrestricted net assets are available for use without donor-imposed restrictions and are associated with the primary mission of CHERA.
- **Temporarily Restricted:** Temporarily restricted net assets have donor-imposed restrictions that permit CHERA to expend the donated asset as specified. These restrictions are satisfied either by the passage of time or by actions of CHERA. CHERA records donor restrictions that are satisfied in the same reporting period in which they are received as unrestricted support. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires or assets are released from restriction by the donor, temporarily restricted net assets are reclassified to unrestricted net assets.
- **Permanently Restricted:** Permanently restricted net assets have donor-imposed restrictions that stipulate that resources be maintained permanently, but which permit CHERA to expend part or all of the income derived from the donated assets without restriction. CHERA did not have any permanently restricted net assets as of December 31, 2015 or 2014.

**Cash:** CHERA's cash consist of demand deposits and money market funds.

**Contributions and Grants:** All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions and grants are recognized when received.

**Income Taxes:** CHERA is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been provided for in the financial statements.

**Reclassifications:** Certain reclassifications have been made to prior year numbers in order to be in conformity with current year presentation.

**Subsequent Events:** These financial statements have not been updated for subsequent events occurring after August 12, 2016, which is the date these financial statements were available to be issued.

#### NOTE 2 - CONCENTRATIONS OF CREDIT RISK

CHERA maintains cash balances in a checking and money market account. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 at December 31, 2015 and 2014. CHERA had no uninsured cash balances at December 31, 2015 and 2014. CHERA has not experienced any loss in such accounts and believes it is not exposed to any significant credit risk related to these accounts.

**COMMUNITY HEALTH AND EDUCATION FOR RURAL AFRICA, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

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**SEE INDEPENDENT ACCOUNTANT’S REVIEW REPORT**

**NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are limited for use by CHERA as directed by donors for a specific time period or purpose.

Temporarily restricted net assets are available for the following specific program services as of December 31:

	<u>2015</u>	<u>2014</u>
Clinic construction	\$ <u>55,768</u>	\$ <u>96,129</u>

**NOTE 4 - FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 5 – RELEASE FROM RESTRICTIONS**

During the year ended December 31, 2014, CHERA suspended the construction on the clinic in Uganda. In connection therewith, some of the contributions from donors specifically designated for clinic construction were returned to the donors as authorized by the donors. The total amount returned to donors was \$350,056 at December 31, 2014.

During the year ended December 31, 2015, CHERA contacted previous donors who had made contributions to CHERA for the purpose of clinic construction and asked the donors to release the restriction placed on the contributions to support the overall mission of CHERA. Funds released from restriction during the year ended December 31, 2015 amounted to \$40,361.

**NOTE 6 – REISSUANCE OF FINANCIAL STATEMENTS**

These financial statements have been reissued to properly account for the donation of funds for the purchase of equipment that was improperly recorded in the 2015 fiscal year. The purchase did not occur until January 2016.