



Financial Statements  
With Independent Auditors' Report

December 31, 2016

# AFRICAN MISSION HEALTHCARE FOUNDATION

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
African Mission Healthcare Foundation  
Hicksville, New York

We have audited the accompanying financial statements of African Mission Healthcare Foundation, which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### *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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
African Mission Healthcare Foundation  
Hicksville, New York

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of African Mission Healthcare Foundation as of December 31, 2016, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

Colorado Springs, Colorado  
September 12, 2017

# AFRICAN MISSION HEALTHCARE FOUNDATION

## Statement of Financial Position

December 31, 2016

### ASSETS:

Cash and cash equivalents	\$ 3,701,916
Contributions receivable-net	98,407

Total Assets \$ 3,800,323

### LIABILITIES AND NET ASSETS:

#### Liabilities:

Accounts payable	\$ 38,097
Grants payable	159,471
Loan payable	65,000

262,568

#### Net assets:

Unrestricted	373,089
Temporarily restricted	3,164,666

3,537,755

Total Liabilities and Net Assets \$ 3,800,323

See notes to financial statements

# AFRICAN MISSION HEALTHCARE FOUNDATION

## Statement of Activities

Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE:</b>			
Contributions	\$ 198,687	\$ 4,258,127	\$ 4,456,814
Other income	7,797	-	7,797
	<u>206,484</u>	<u>4,258,127</u>	<u>4,464,611</u>
<b>NET ASSETS RELEASED:</b>			
Purpose restrictions	3,165,358	(3,165,358)	-
	<u>3,165,358</u>	<u>(3,165,358)</u>	<u>-</u>
<b>EXPENSES:</b>			
Program services	3,031,350	-	3,031,350
	<u>3,031,350</u>	<u>-</u>	<u>3,031,350</u>
Supporting activities:			
General and administrative	288,322	-	288,322
Fundraising	125,077	-	125,077
	<u>413,399</u>	<u>-</u>	<u>413,399</u>
Total Expenses	<u>3,444,749</u>	<u>-</u>	<u>3,444,749</u>
Change in Net Assets	(72,907)	1,092,769	1,019,862
Net Assets, Beginning of Year	445,996	2,071,897	2,517,893
	<u>445,996</u>	<u>2,071,897</u>	<u>2,517,893</u>
Net Assets, End of Year	<u>\$ 373,089</u>	<u>\$ 3,164,666</u>	<u>\$ 3,537,755</u>

See notes to financial statements

# AFRICAN MISSION HEALTHCARE FOUNDATION

## Statement of Cash Flows

Year Ended December 31, 2016

### CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 1,019,862
Adjustments to reconcile change in net assets to net cash	
Changes in operating assets and liabilities:	
Contributions receivable	32,270
Accounts payable	34,343
Grants payable	12,910
Net Cash Provided by Operating Activities	<u>1,099,385</u>

### CASH FLOWS FROM FINANCING ACTIVITIES:

Principal payments on loan payable	<u>(35,000)</u>
Net Cash Used by Investing Activities	<u>(35,000)</u>

Net Change in Cash and Cash Equivalents 1,064,385

Cash and Cash Equivalents, Beginning of Year 2,637,531

Cash and Cash Equivalents, End of Year \$ 3,701,916

See notes to financial statements

# AFRICAN MISSION HEALTHCARE FOUNDATION

## Notes to Financial Statements

December 31, 2016

### 1. NATURE OF ORGANIZATION:

African Mission Healthcare Foundation (AMHF) operates in various countries in Africa and was organized for the purpose of assisting the health work of medical institutions in Africa, primarily church-related medical institutions. The mission of AMHF is to support the effective and compassionate medical efforts of mission and church organizations across the continent. AMHF links the generosity of American citizens, philanthropy, and churches to increase the reach and impact of effective on-the-ground healthcare workers.

AMHF operates as a nonprofit organization, incorporated in 2010 in the State of Delaware, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), and is not a private foundation under Section 509(a) of the Code.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Prior to the year ended December 31, 2016, AMHF reported on the cash basis of accounting. During the year ended December 31, 2016, AMHF changed and now maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. 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 the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist mainly of cash held in checking and savings accounts. The balances exceeded federally insured limits by approximately \$3,200,000 as of December 31, 2016. AMHF has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk.

#### CONTRIBUTIONS RECEIVABLE

Contributions receivable consist mainly of amounts due from a related organization based on an annual agreement entered into between AMHF and this organization. AMHF records an allowance for doubtful accounts if deemed necessary, which is based on a review of outstanding receivables, historical collection information, and existing economic conditions. There was no allowance for doubtful accounts at December 31, 2016 as outstanding balances were considered fully collectible. All amounts are collectible within one year and were received subsequent to year end.

#### GRANTS PAYABLE

Grants payable consist of amounts owed based on annual agreements entered into between AMHF and partner hospitals and organizations. Amounts become payable based on triggering events occurring according to the agreement.



# AFRICAN MISSION HEALTHCARE FOUNDATION

## Notes to Financial Statements

December 31, 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### CLASSES OF NET ASSETS

The net assets of AMHF are reported in the following classes:

*Unrestricted net assets* are currently available at the discretion of the board for use in AMHF's operations and those resources invested in property and equipment.

*Temporarily restricted net assets* include resources restricted by donors primarily for use with certain projects.

#### SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash and other assets are received or when unconditionally promised. AMHF reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the contributed amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Other income is recognized when earned.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing program services and supporting activities have been summarized on a functional basis. Accordingly, certain costs relating to more than one function, such as payroll, ministry, and facilities expenses, have been allocated among the program services and supporting activities benefited.

#### UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statement of activities. As of December 31, 2016, AMHF had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

AMHF is generally no longer subject to U.S. federal and state tax examinations by tax authorities for years before 2013.

### 3. LOAN PAYABLE:

There is a loan payable entered into with a foundation on May 1, 2015 due on or before May 1, 2018. Annual interest is due in the amount of 5% of the unpaid balance to be compounded annually on the anniversary of the issue date. The loan is unsecured.

# AFRICAN MISSION HEALTHCARE FOUNDATION

## Notes to Financial Statements

December 31, 2016

4. TEMPORARILY RESTRICTED NET ASSETS:

As of December 31, 2016, temporarily restricted net assets consist of:

South Sudan	\$ 1,140,004
Hospital and clinic projects	945,077
L'Chaim Prize	466,096
General medical	402,037
Anesthesia and training	195,476
Operations	15,976
	<hr/>
	\$ 3,164,666
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5. SERVICE AGREEMENT:

AMHF has entered into an accounting and consulting service agreement expiring on October 31, 2017. Future minimum payments are \$19,940 for the year ending December 31, 2017.

6. CONCENTRATION:

During the year ended December 31, 2016, AMHF received contributions from three donors that, when combined, total approximately \$1,938,000. These gifts account for approximately 43% of total support and revenue for the year ended December 31, 2016.

7. RELATED PARTY TRANSACTIONS:

Two board members of AMHF, one of which is President of AMHF, sat on the board of another organization during the year ended December 31, 2016. As part of its program expenses, AMHF sent funds to the organization in the amount of \$1,340,031 during the year ended December 31, 2016. These funds were restricted for specific activities that fall within AMHF's charitable purpose.

8. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.