

BATEY RELIEF ALLIANCE, INC.

FINANCIAL STATEMENTS

Year ended December 31, 2015  
With comparative totals for 2014

BATEY RELIEF ALLIANCE, INC.

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**MOSTERT, MANZANERO & SCOTT, LLP**  
*Certified Public Accountants*

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Batey Relief Alliance, Inc.  
Brooklyn, New York

We have audited the accompanying financial statements of Batey Relief Alliance, Inc. ("BRA") (a non-profit organization), which comprise the statement of financial position as of December 31, 2015, and the related statement of activities and changes in net assets, statement of functional expenses and statement of 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 U.S. generally accepted accounting principles (U.S. GAAP); 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 auditors' 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 BRA'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 BRA'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.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BRA as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. GAAP.

## **Report on Summarized Comparative Information**

We have previously audited the BRA's 2014 financial statements, and our report dated April 10, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Mistert, Manzanero & Scott, LLP*

Oneonta, New York  
May 5, 2016

BATEY RELIEF ALLIANCE, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2015  
With comparative totals for 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Current assets:		
Cash	\$ 300,502	\$ 221,006
Other assets:		
Property and equipment, net	<u>2,464</u>	<u>6,442</u>
Total assets	<u>\$ 302,966</u>	<u>\$ 227,448</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Payroll liabilities	\$ 2,859	\$ 2,859
Net assets:		
Unrestricted	<u>300,107</u>	<u>224,589</u>
Total liabilities and net assets	<u>\$ 302,966</u>	<u>\$ 227,448</u>

See accompanying notes.

BATEY RELIEF ALLIANCE, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2015  
 With comparative totals for 2014

	<u>2015</u>	<u>2014</u>
Public support and revenue:		
Government grants - Cash	\$ 75,000	\$ 150,000
Government grants - Goods	415,299	312,000
Contributions - Cash	372,917	306,252
Contributions - Goods	9,871,555	6,369,011
Interest	351	144
Total public support and revenue	<u>10,735,122</u>	<u>7,137,407</u>
Functional expenses:		
Program expenses	10,599,572	6,987,212
Management and general	45,878	49,339
Fundraising	14,154	15,323
Total functional expenses	<u>10,659,604</u>	<u>7,051,874</u>
Change in net assets	75,518	85,533
Net assets - Beginning of year	<u>224,589</u>	<u>139,056</u>
Net assets - End of year	<u><u>\$ 300,107</u></u>	<u><u>\$ 224,589</u></u>

See accompanying notes.

BATEY RELIEF ALLIANCE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2015  
With comparative totals for 2014

	Services Program	Supporting Services		Totals	
		Management and General	Fundraising	2015	2014
Grant and contract expenses:					
Program expenses	\$ 203,598	\$ -	\$ -	\$ 203,598	\$ 199,038
Medical supplies and food	10,318,753	-	-	10,318,753	6,681,011
Subtotal	10,522,351	-	-	10,522,351	6,880,049
Operating expenses:					
Salaries	21,000	8,400	12,600	42,000	36,000
Payroll taxes	1,689	675	1,013	3,377	2,871
Insurance	-	3,793	-	3,793	2,936
Bank charges and interest	-	24	-	24	467
Program administration	200	-	-	200	17,500
Advertising	-	-	-	-	415
Office expense	901	360	541	1,802	3,080
Facilities and equipment	-	7,374	-	7,374	9,063
Conference and/or conventions	-	138	-	138	598
Dues and registration fees	-	511	-	511	1,592
Miscellaneous expense	-	7,095	-	7,095	3,816
Shipping	27,749	-	-	27,749	29,519
Professional fees	-	13,530	-	13,530	22,811
Travel, meals and entertainment	25,682	-	-	25,682	34,961
Total before depreciation	10,599,572	41,900	14,154	10,655,626	7,045,678
Depreciation	-	3,978	-	3,978	6,196
Total functional expenses	<u>\$ 10,599,572</u>	<u>\$ 45,878</u>	<u>\$ 14,154</u>	<u>\$ 10,659,604</u>	<u>\$ 7,051,874</u>

See accompanying notes.

BATEY RELIEF ALLIANCE, INC.

STATEMENT OF CASH FLOWS

Year ended December 31, 2015  
With comparative totals for 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 75,518	\$ 85,533
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,978	6,196
Increase (decrease) in liabilities:		
Accrued expenses	-	(105)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>79,496</u>	<u>91,624</u>
Cash, beginning of year	<u>221,006</u>	<u>129,382</u>
CASH, END OF YEAR	<u><u>\$ 300,502</u></u>	<u><u>\$ 221,006</u></u>

See accompanying notes.



BATEY RELIEF ALLIANCE, INC.

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1 NATURE OF ACTIVITIES

Batey Relief Alliance, Inc.'s ("BRA") mission is to work collaboratively to create a productive and self-sufficient environment through humanitarian health and development programs for children and their families severely affected by extreme poverty, disease and hunger in Latin America and the Caribbean.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

BRA uses the accrual method of accounting for recording assets and liabilities and recognizing income and expenses.

Basis of Presentation

Financial statement presentation follows the recommendations of U.S. generally accepted accounting principles (U.S. GAAP). Under U.S. GAAP, BRA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were no restricted assets at December 31, 2015 and 2014.

Cash and Cash Equivalents

Items treated as cash and cash equivalents for purposes of the cash flow statement are those funds that are held in checking, savings and money market accounts.

Property and Equipment

Purchased fixed assets are recorded at historical costs. Maintenance and repair costs are expensed as incurred; major renewals or betterments which extended the lives or increase the value of the assets are capitalized.

Income Taxes

BRA is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and as such is not subject to Federal income tax and has no activities that would generate unrelated business income.

BRA reviews the components of revenues, gains, and other support and analyzes whether the position that BRA takes with regard to a particular item of income would meet the definition of an uncertain tax position under U.S. GAAP.

BRA files income tax returns in the U.S. Federal and New York State jurisdictions. The tax years that remain subject to examination by taxing authorities are generally the previous three years.

BATEY RELIEF ALLIANCE, INC.

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Donated Services

Donated services are recognized as contributions in accordance with U.S. GAAP, if these services (a) create or enhance nonfinancial assets or (b) require specialized skills, and are performed by people with those skills, and would otherwise be purchased. BRA volunteers also provide services throughout the year that are not recognized as contributions in the financial statements since the criteria for U.S. GAAP recognition are not met.

Restricted and Unrestricted Revenue and Support

In accordance with U.S. GAAP, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Functional Allocation of Expenses

The cost of providing BRA's programs has been summarized on a functional basis in the statement of functional expenses. Expenses that can be identified with a specific program and/or support services are allocated directly according to their natural expense classification.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Totals

The amounts shown for the year ended December 31, 2014 in the accompanying statement of activities and changes in net assets and the statement of functional expenses are included to provide a basis for comparison with 2015 and present summarized totals only. Accordingly, the 2014 totals are not intended to present all information necessary for a fair presentation in conformity with U.S. GAAP.

Events Occurring After Reporting Date

BRA has evaluated subsequent events through May 5, 2016, which is the date the financial statements were available to be issued.

BATEY RELIEF ALLIANCE, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment at December 31, consisted of:

	<u>2015</u>	<u>2014</u>
Vehicles	\$ 15,320	\$ 15,320
Office equipment	19,951	19,951
Office furniture	<u>17,091</u>	<u>17,091</u>
	52,362	52,362
Less: Accumulated depreciation	<u>(49,898)</u>	<u>(45,920)</u>
Property and equipment, net	<u>\$ 2,464</u>	<u>\$ 6,442</u>

Depreciation charged to expenses for the years ended December 31, 2015 and 2014 was \$3,978 and \$6,196, respectively.

NOTE 4 ACCRUED EXPENSE

Accrued expense consisted of accrued payroll taxes. The balance was \$2,859 as of December 31, 2015 and 2014.

NOTE 5 FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

Cash

BRA maintains its cash accounts with a single financial institution. Accounts at the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2015 and 2014 there were no uninsured balances.

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