

**BAY ISLANDS COMMUNITY
HEALTHCARE ASSOCIATION**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

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ACCOUNTANTS' REVIEW REPORT

TO THE BOARD OF DIRECTORS BAY ISLANDS COMMUNITY HEALTHCARE ASSOCIATION WEST CHESTER, PENNSYLVANIA

We have reviewed the accompanying statements of financial position of the Bay Islands Community Healthcare Association. (a non-profit organization) as of September 30, 2010, and the related statements of activities, functional expenses and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Bay Islands Community Healthcare Association.

A review consists principally of inquiries of the Association's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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 generally accepted accounting principles.

Kirk, Summa & Co., LLP

December 16, 2010
Allentown, Pennsylvania

MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
PENNSYLVANIA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

**BAY ISLANDS COMMUNITY HEALTHCARE ASSOCIATION
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2010**

ASSETS	
CURRENT ASSETS	
Cash	\$ 153,507
TOTAL CURRENT ASSETS	<u>153,507</u>
TOTAL ASSETS	<u><u>\$ 153,507</u></u>
LIABILITIES AND NET ASSETS	
TOTAL LIABILITIES	\$ -
NET ASSETS	
Unrestricted	153,507
TOTAL NET ASSETS	<u>153,507</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 153,507</u></u>

The accompanying notes are an integral part of these financial statements.

**BAY ISLANDS COMMUNITY HEALTHCARE ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

REVENUES - UNRESTRICTED:	
Contributons	\$ 213,288
TOTAL REVENUES	<u>213,288</u>
FUNCTIONAL EXPENSES:	
Program services	100,000
General and administrative	1,302
TOTAL FUNCTIONAL EXPENSES	<u>101,302</u>
NET CHANGE IN UNRESTRICTED NET ASSETS	111,986
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR	<u>41,521</u>
UNRESTRICTED NET ASSETS AT END OF YEAR	<u><u>\$ 153,507</u></u>

The accompanying notes are an integral part of these financial statements.

**BAY ISLANDS COMMUNITY HEALTHCARE ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Program Services	General and Administrative	Totals
Contributions made	\$ 100,000	\$ -	\$ 100,000
Organization expense	-	817	817
Office supplies	-	485	485
Total functional expenses	\$ 100,000	\$ 1,302	\$ 101,302

The accompanying notes are an integral part of these financial statements.

**BAY ISLANDS COMMUNITY HEALTHCARE ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Cash flows from operating activities:	
Cash received from contributions and fundraisers	\$ 213,288
Cash payments for contributions made	(100,000)
Cash payments for suppliers for goods and services	<u>(1,302)</u>
Net cash used for operating activities	<u>111,986</u>
Net change in cash	111,986
Cash at beginning of year	41,521
Cash at end of year	<u>\$ 153,507</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Total revenues and support less functional expenses	\$ 111,986
Total Adjustments	<u>-</u>
Net cash used for operating activities	<u>\$ 111,986</u>

The accompanying notes are an integral part of these financial statements.

**BAY ISLANDS COMMUNITY
HEALTHCARE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Bay Islands Community Healthcare Association was formed to support quality medical care, a basic human right, by soliciting, collecting & transferring funds to the Clinica Esperanza in Sandy Bay, Roatan, Honduras, a medical clinic operated by the Honduras NGO "Asociacion de Salud Comunitaria de la Isla de la Bahia". The Organization is a Pennsylvania nonprofit corporation formed on July 8, 2008.

Financial Statement Presentation

The Organization's financial statements are presented in accordance with the Financial Accounting Standard Board's Statement of Financial Accounting Standards ASC 958-210-50-3, "Financial Statements of Not-for-Profit Organizations." Under FASB, the Organization is required to report information regarding its financial position and activities according to three classes on net assets, as applicable: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments including money market funds, with an initial maturity of three months or less to be cash equivalents.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code as a charitable institution other than a private foundation.

NOTE B – SUBSEQUENT EVENTS

In preparing these financial statements, management of Bay Islands Community Healthcare Association has evaluated events and transactions subsequent to September 30, 2010 through December 16, 2010, the date these financial statements were available to be issued. Based on the definitions and requirements of the Subsequent Events Topics of the FASB Accounting Standards Codification, management of Bay Islands Community Healthcare Association is not aware of any subsequent events that would require recognition or disclosure in the financial statements.