

**BAY ISLANDS COMMUNITY  
HEALTHCARE ASSOCIATION**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2011**

**CONTENTS**

INDEPENDENT ACCOUNTANTS' REVIEW REPORT.....3  
STATEMENT OF FINANCIAL POSITION.....4  
STATEMENT OF ACTIVITIES.....5  
STATEMENT OF FUNCTIONAL EXPENSES.....6  
STATEMENT OF CASH FLOWS.....7  
NOTES TO FINANCIAL STATEMENTS.....8

# KIRK, SUMMA & CO., LLP

CERTIFIED PUBLIC ACCOUNTANTS

1405 NORTH CEDAR CREST BOULEVARD  
SUITE 102  
ALLENTOWN, PENNSYLVANIA 18104  
610-770-9889  
FAX 610-770-0177

DALE E. KIRK, C.P.A.

KEVIN D. SUMMA, C.P.A.

OTHER OFFICES

BRODHEADSVILLE, PA  
570-992-5876

EAST STROUDSBURG, PA  
570-421-0753

## INDEPENDENT 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, 2011, 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 management of the Bay Islands Community Healthcare Association. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a 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 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 that the result 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.

*Kirk, Summa & Co., LLP*

January 30, 2012  
Allentown, Pennsylvania

**BAY ISLANDS COMMUNITY HEALTHCARE ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2011**

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	<u>\$ 259,777</u>
<b>TOTAL CURRENT ASSETS</b>	<u>259,777</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 259,777</u></u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>TOTAL LIABILITIES</b>	\$ -
<b>NET ASSETS</b>	
Unrestricted	<u>259,777</u>
<b>TOTAL NET ASSETS</b>	<u>259,777</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 259,777</u></u>

See accompanying notes and independent accountants' review report

**BAY ISLANDS COMMUNITY HEALTHCARE ASSOCIATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

REVENUES - UNRESTRICTED:	
Contributons	\$ 257,061
TOTAL REVENUES	<u>257,061</u>
FUNCTIONAL EXPENSES:	
Program services	150,000
General and administrative	<u>791</u>
TOTAL FUNCTIONAL EXPENSES	<u>150,791</u>
NET CHANGE IN UNRESTRICTED NET ASSETS	106,270
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR	<u>153,507</u>
UNRESTRICTED NET ASSETS AT END OF YEAR	<u><u>\$ 259,777</u></u>

See accompanying notes and independent accountants' review report

**BAY ISLANDS COMMUNITY HEALTHCARE ASSOCIATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Totals</u>
Contributions made	\$ 150,000	\$ -	\$ 150,000
Organization expense	-	725	725
Office supplies	-	66	66
 Total functional expenses	 <u>\$ 150,000</u>	 <u>\$ 791</u>	 <u>\$ 150,791</u>

See accompanying notes and independent accountants' review report

**BAY ISLANDS COMMUNITY HEALTHCARE ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Cash flows from operating activities:	
Cash received from contributions and fundraisers	\$ 257,061
Cash payments for contributions made	(150,000)
Cash payments for suppliers for goods and services	<u>(791)</u>
Net cash used for operating activities	<u>106,270</u>
Net change in cash	106,270
Cash at beginning of year	<u>153,507</u>
Cash at end of year	<u><u>\$ 259,777</u></u>
Reconciliation of operating loss to net cash provided by operating activities:	
Total revenues and support less functional expenses	\$ 106,270
Total Adjustments	<u>-</u>
Net cash used for operating activities	<u><u>\$ 106,270</u></u>

See accompanying notes and independent accountants' review report

**BAY ISLANDS COMMUNITY  
HEALTHCARE ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

**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.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending September 30, 2009, 2010 and 2011 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

**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, 2011 through January 30, 2012, 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.