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Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Batey Relief Alliance, Inc.:

We have audited the accompanying statement of financial position of Batey Relief Alliance, Inc. (a nonprofit organization) as of December 31, 2007, and the related statements of activities and changes in net assets and of cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. 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 State of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respect, the financial position of Batey Relief Alliance, Inc. As of December 31, 2007, and the results of its activities and changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of Americas.

Gerald Grant CPA

Grant Company, CPA, PC
Queens, New York

BATEY RELIEF ALLIANCE, INC.

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BATEY RELIEF ALLIANCE, INC (NY)
STATEMENTS OF FINANCIAL POSITIONS
As of December 31, 2007

EXHIBIT 1

	<u>2007</u>
ASSETS	
Cash and cash equivalents - Unrestricted	91,757.00
Loan Receivable to officers	4,360.00
Property - Mobil Clinic	56,919.00
Property - Office Equipment	13,020.00
Property - Furniture	<u>13,254.00</u>
TOTAL ASSETS	<u>179,310.00</u>
LIABILITIES AND NET ASSETS	
Deferred Revenue	
Payroll Tax Liabilities	3,080.00
Accrued Professional Fees Payable	4,000.00
TOTAL LIABILITIES	<u>7,080.00</u>
NET ASSETS	
Unrestricted	125,685.00
Restricted	<u>46,545.00</u>
TOTAL NET ASSETS	<u>172,230.00</u>
TOTAL LIABILITIES AND NET ASSETS	<u>179,310.00</u>

See accountant's audit report and accompanying notes to financial statements.

BATEY RELIEF ALLIANCE, INC (NY)
STATEMENT OF ACTIVITIES
For the Period Ending December 31, 2007

EXHIBIT II

	<u>2007</u>
REVENUE/INCOME	
Contributions - Unrestricted	160,358.00
Contributions - Temporary Restricted	
Contributions- Non-Cash (In Kind)	1,623,978.00
Service Fees - Non-Cash	265,838.35
Grant Revenue - Cash	89,723.00
Grant - Revenue - Non Cash	173,100.00
TOTAL CONTRIBUTIONS	2,312,997.35
EXPENDITURES	
<u>Administrative Expense</u>	
Salaries / Compensation Exp	36,000.00
Payroll Tax Exp	2,829.00
Professional Service Exp	5,115.00
Office Expense	5,117.00
Travel & Accommodation Exp	3,481.00
Shipping and Transportation	7,744.00
Telephone and communication	2,572.00
Miscellaneous Administrative expenses	<u>22,513.00</u>
Total Administration Expenses	85,371.00
<u>Program Exp</u>	
Medical Supplies to the Poor	1,623,978.00
Assistant to the Poor - (HIV - SD)	78,000.00
Assistant to the Poor Optometrist	43,200.00
Assistant to the Poor General Physicians	144,638.00
Programs E44 - Disbursement To S.D.	93,454.00
Food Supplies - To the Poor (Grant)	173,100.00
General Program - Supply	16,326.00
Medical Equipment	<u>2,635.00</u>
Total Program Exp	2,175,331.00
Other Expenses:	
Depreciation	5,941.00
Total Other Expenses	5,941.00
TOTAL EXPENDITURES	2,266,643.00
REVENUE OVER EXPENDITURES	46,354.35
INCREASE IN NET ASSETS	46,354.00
NET ASSETS AT BEGINNING	125,876.00
NET ASSETS AT END	172,230.00

See accountant's audit report and accompanying notes to financial statements.

BATEY RELIEF ALLIANCE, INC (NY)
STATEMENT OF CASH FLOWS
For the Period Ending December 31, 2007

EXHIBIT III

	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in Net Assets	46,354.00
Adjustments to reconcile decrease in net assets to net cash, provided by operating activities	
Depreciation	5,941.00
Increased in Loan Receivable to officers	4,360.00
Increased in Accrued Professional fees	(4,000.00)
Increased in in Payroll Tax Liabilities	(3,080.00)
NET CASH PROVIDED BY OPERATING ACTIVITIES	49,575.00
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Investments - Securities	0.00
Purchase of Fixed Tangible Assess	0.00
NET CASH USED BY INVESTING ACTIVITIES	0.00
CASH FLOWS FROM FINANCIAL ACTIVITIES:	
Proceeds from Contributions Restricted	0.00
Payment of Borrowing	0.00
NET CASH PROVIDED BY FINANCING ACTIVITIES	0.00
NET INCREASE IN CASH & CASH EQUIVALENT	49,575.00
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	42,182.00
CASH AND CASH EQUIVALENTS - END OF YEAR	91,757.00

BRA received non cash service from physicians who donated services in the amount of \$265,838
Non cash medical supplies of \$1,623,978. and grant for medical food supplies of \$173,100.
From In Kind donations and Grant in the amount of \$1,797,078.

See accountant's audit report and accompanying notes to financial statements.

BATEY RELIEF ALLIANCE, INC (BRA)
Notes to Financial Statements
Year Ended December 30, 2007

Nature of Activities

The Batey Relief Alliance (BRA) was organized in 1997 in the state of New York as a 501 (c) (3) tax exempt, non-profit humanitarian aid organization to address the Socio-Economic conditions of children and families severely affected by poverty, disease and hunger in the Caribbean.

The purpose for which the corporation was formed as set forth in its Certificate of Incorporation is as follows:

- 1) Helping the poor living and working in the Dominican Republic Bateys, to become financial self-sustained through financial development and assistant, so that they can afford to eat and be clothed.
- 2) To create a financial sponsorship program in the United States and abroad designed to help the poor living in the Batey, opportunity to eat, go to school, and be healthy.

Towards that end Batey Relief Alliance created its regional arm inside the Dominican BRA Dominican. A Non Government organization (NGO) designed to help the Batey Relief carry out its humanitarian mission inside the Batey of the Dominican Republic.

Basis of Presentations

The financial Statements are presented in accordance with statement of financial accounting standard No. 116 "Accounting for contributions received and contributions made". Contributions are recognized as revenue when they are received or unconditionally pledge (SFAS 117) SFAS No. 117 requires Net Assets to be classified as either unrestricted, temporary restricted and permanently restricted depending on limitations placed on the net assets.

Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimate and assumptions that affect the reported amount of assets and liability and disclosures of contingent. Asset & Liabilities at the date of the financial statement and the reported amounts of revenue and expenses during the reported period actual result could differ from those estimates.

Revenue Recognition

Contributions are recognized as Revenue when they are received or unconditionally pledged. Batey Relief reports gifts of cash and other assets as restricted support if they are received with donor stipulation that limits the use of the donated asset when a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished temporarily restricted Net Assets are reclassified to unrestricted Net Asset and reported as Net Asset release from restriction.

Contribution of services are recognized when record if the services (a) create or enhance non-financial Assets or (b) required specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. The total values of contributed services by specialized physicians, recognized in the financial statements are \$265,838. This is based on the fair value of physician services.

In Kind Contribution

In Kind Contributions consist of medical supplies and pharmaceutical products received by various companies within the U.S.A., the estimated fair value of those donations approximately \$1,623,978.

Donated personal services of other volunteers are not reflected in the accompanying financial statements, because such services do not require specialized skills.

Batey Relief Alliance received grants awarded in the amount of \$272,800, consisting of \$173,100 in value of food supplies and cash in the amount of \$99,700. Actual cash received in 2007 was 89,723. The amount was deemed to be contributions and not an exchange transaction under FAS-116, contributions should be recognized as revenue or gains in the period in which they are received. The value of food supplies of \$173,100, was at the fair value.

Pledges / Promises to Give

Batey Relief Alliance solicits contributions (pledges) via the internet and other services. Since these pledges do not meet the criteria for revenue recognition under SFAS No 116, they are not reflected as contributions in the statement of activities until the pledges or contributions are collected. Consequently, there are no pledges or contributions receivables as of December 31, 2007.

Property & Equipment

Property and equipment at December 31, 2007 consisted of the following:

	<u>Cost</u>
Mobile Clinic	65,340.00
Office Furniture	15,500.00
Office Computer / Equipment	<u>14,200.00</u>
Total	95,040.00
Less Accumulated Depreciation	<u>(11,847.00)</u>
Net Property & Equipment	83,193.00

Receivable/Advance to Officer

Receivable to BRA, in the amount of \$4360; represents personal tax obligations of officer of BRA; that was paid from corporate Assets.

Liabilities

- Payroll tax liabilities in the amount for \$3,080 reflect unpaid payroll tax liability as of December 31, 2007.
- Accrued professional fees payable; represents accounting fees accrued but unpaid as of December 31, 2007.