

Post-it® Fax Note	7671	Date	# of pages ▶ 8
To	K J	From	B: L J
Co./Dept.	FIS	Co.	
Phone #	LAST PAGE	Phone #	H 15 7
Fax #		Fax #	

**The Association for the Development of Pakistan, Inc.**

**FINANCIAL STATEMENTS**

**December 31, 2005**

**W.A. JACKSON***Certified Public Accountant and Management Consultant*

18 Briarfield Road Milton, Massachusetts 02186 wajcpa@aol (617) 298-1337 FAX: (617) 698-6725

**Independent Auditor's Report**

To the Board of Directors of  
The Association for the Development of Pakistan, Inc.

We have audited the statement of financial positions of The Association for the Development of Pakistan, Inc. (a Massachusetts not-for-profit corporation) as of December 31, 2005 and the related statements of activities, and the statements of cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted 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 of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to the above present fairly, in all material respects, the financial position of The Association for the Development of Pakistan, Inc. as of December 31, 2005 the results of its operations for the year then ended, and the changes in its net assets for the period then ended, in conformity with generally accepted accounting principles in the United States of America.



November 9, 2006

ASSOCIATION FOR THE DEVELOPMENT OF PAKISTAN, INC.  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2005

Assets:	
Current Assets:	
Cash	\$ 108,218
Contributions Receivable	-
Prepaid Expenses	-
	<u>108,218</u>
 Total Assets	 <u>\$ 108,218</u>
 Liabilities & Net Assets:	
Current Liabilities:	
Accounts Payable	\$ 3,000
Pledges Payable	<u>25,297</u>
	28,297
 Net Assets:	
Net Unrestricted Assets	<u>79,921</u>
 Total Net Assets & Liabilities	 <u>\$ 108,218</u>

The accompanying notes are an integral part of this statement

**ASSOCIATION FOR THE DEVELOPMENT OF PAKISTAN, INC.**  
**STATEMENT OF ACTIVITIES and CHANGES IN NET ASSETS**  
**For the Year Ended DECEMBER 31, 2005**

Donations:	
General	\$ 19,570
Edhi Foundation	238,661
Earthquake Redevelopment	62,476
President's Earthquake Relief Fund	40,446
Relief Shelter	<u>38,839</u>
Total operating revenue	399,991
Fund Raiser (net)	1,231
Interest Income	<u>145</u>
Total Revenue	401,367
Contributions	318,227
Operating expense	
Programs	8,664
Fund Raising Event Expense	4,205
Equipment	1,200
Money Transfer Fees	431
Administrative	<u>155</u>
Total Operating expense	<u>14,655</u>
Change in Net Assets	68,485
Net Assets Beginning	<u>11,436</u>
Net Assets Ending	<u>\$ 79,921</u>

The accompanying notes are an integral part of this statement

ASSOCIATION FOR THE DEVELOPMENT OF PAKISTAN, INC.  
STATEMENT OF CASH FLOWS  
For the Year Ended  
DECEMBER 31, 2005

CASH FLOW FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ 68,485
Adjustments to reconcile Change in Net Assets to net cash used in operating activities:	
Depreciation and Amortization	
(Increase) Decrease in Assets:	
Pledges Receivable	5,000
Increase in Liabilities	
Accounts Payable	2,619
Pledges Payable	<u>25,297</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	101,401
NET INCREASE (DECREASE) IN CASH	101,401
CASH, JANUARY 1,	<u>6,817</u>
CASH, DECEMBER 31,	<u><u>\$ 108,218</u></u>

The accompanying notes are an integral part of this statement

A. Organization and History:

The Association for the Development of Pakistan, Inc is a not-for-profit corporation established under the laws of the Commonwealth of Massachusetts.

The Association is an entirely volunteer-driven venture philanthropy organization. The mission is to enhance the lives of the poor, neglected and underprivileged of Pakistan by providing support for carefully selected development projects. The Association's volunteers identify, evaluate and partner with non-for-profits in Pakistan to support initiatives that can create a lasting impact. (see Note C. below)

B. Summary of Significant Accounting Policies:

Basis of Accounting

The Association prepares its financial statements in accordance with generally accepted accounting principles. This basis of accounting involves the application of accrual accounting. Consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Cash Equivalents

For the purposes of the statements of cash flows, the Association considers short-term certificates of deposit with a maturity of three months or less, when purchased, to be cash equivalents.

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 of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Revenue Recognition

Contributions are recognized when the pledge is made.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

### Unrestricted Net Assets

These are net assets that are not subject to donor-imposed stipulations. Restricted gains and investment income and donor restricted contributions whose restrictions are met in the same reporting period are classified as unrestricted.

### Temporarily Restricted Net Assets

These are net assets subject to donor-imposed stipulations that may or will be met whether by actions of the Association and/or the passage of time. The Association has no temporarily restricted net assets.

### Permanently Restricted Net Assets

These are net assets, if any, are subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned on related investments for general or specific purposes. The Association has no permanently restricted net assets.

### Donated Services

Volunteers contribute services to the Association on a continual basis to support its operations. Donated services are not reflected as contributions.

Other donated services and goods have not been reflected in the accompanying either because the services do not require a specialized skill or since no objective basis is available to measure the value of such services.

Property, plant and equipment is recorded at cost, or at the fair market value at the date of donation. Depreciation is provided over the estimate useful lives of the respective assets on a straight line or other generally recognized basis. The Association recognizes no fixed assets.

### Income Taxes

The Association is recognized as an organization exempt from Federal income taxes under Section 501 (c)(3) of the Internal Revenue Code (the "Code") whereby only unrelated business income as defined by Section 512 (a)(1) of the Code, is subject to Federal income tax.

### C. Sponsored Programs

During the year the Association funded the following programs:

#### Nomad Children:

The Association support program is for the provision of Hepatitis B vaccinations to 200 nomad children from the city of Lahore and surrounding areas. The program will include the education on protection against preventable diseases through community seminars.

#### Alif Laila:

The Association support program is for the support of the program to stimulate middle school girls in the scientific concepts, increase the awareness of science related fields, and to assist in the acquisition of technical skills that can be used to generate income.

#### Vision Restoration:

During the year the Association provided support for the Munawwar Foundations comprehensive eye care project.