

The Association for the Development of Pakistan, Inc.

FINANCIAL STATEMENTS

December 31, 2006

The Association for the Development of Pakistan, Inc
INDEX
December 31, 2006

Statement	Page
Independent Accountant's Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 7

INDEPENDENT ACCOUNTANT'S REPORT

To: The Board of Directors of:
The Association for the Development of Pakistan

We have reviewed the accompanying statement of financial position of The Association for the Development of Pakistan as of December 31, 2006 and the related statements of activities, cash flows and functional income and expenses for the years 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 Association for the Development of Pakistan.

A review consists principally of inquiries of company 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 principals in the United States of America.

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles in the United States of America.


November 12, 2007

ASSOCIATION FOR THE DEVELOPMENT OF PAKISTAN, INC.
STATEMENT OF NET ASSETS
DECEMBER 31, 2006

Assets:

Current Assets:

Cash	\$	165,700
Contributions Receivable		-
Prepaid Expenses		289
		<u>165,989</u>

Total Assets	\$	<u><u>165,989</u></u>
--------------	----	-----------------------

Liabilities & Net Assets:

Current Liabilities:

Accounts Payable	\$	2,000
Pledges Payable		56,654
		<u>58,654</u>

Net Assets:

Net Unrestricted Assets	<u>107,335</u>
-------------------------	----------------

Total Net Assets & Liabilities	\$	<u><u>165,989</u></u>
--------------------------------	----	-----------------------

See Independent Accountant's Review Report

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, 2006

Donations:	
General	\$ 19,674
Edhi Foundation	23,582
Earthquake Redevelopment	23,085
President's Earhquake Refief Fund	100
Relief Shelter	<u>49,185</u>
Total operating revenue	115,626
 Interest Income	 <u>451</u>
 Total Revenue	 116,077
 Contributions	 72,357
 Operating expense	
Programs	13,275
Bank charges	926
Administrative	<u>2,105</u>
Total Operating expense	<u>16,306</u>
 Change in Net Assets	 27,414
 Net Assets Beginning	 <u>79,921</u>
 Net Assets Ending	 <u><u>\$ 107,335</u></u>

See Independent Accountant's Review Report

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, 2006

CASH FLOW FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ 27,414
Adjustments to reconcile Change in Net Assets to net cash used in operating activities:	
Depreciation and Amortization	
(Increase) Decrease in Assets:	
Prepaid Expense	(289)
Increase (Decrease) in Liabilities	
Accounts Payable	(1,000)
Pledges Payable	<u>31,357</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	57,482
NET INCREASE (DECREASE) IN CASH	57,482
CASH, JANUARY 1,	<u>108,218</u>
CASH, DECEMBER 31,	<u><u>\$ 165,700</u></u>

See Independent Accountant's Review Report

The accompanying notes are an integral part of this statement

ASSOCIATION FOR THE DEVELOPMENT OF PAKISTAN, INC.
NOTES TO FINANCIAL STATEMENTS

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.

ASSOCIATION FOR THE DEVELOPMENT OF PAKISTAN, INC.
NOTES TO FINANCIAL STATEMENT (continued)

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.

ASSOCIATION FOR THE DEVELOPMENT OF PAKISTAN, INC.
NOTES TO FINANCIAL STATEMENT (continued)

C. Sponsored Programs

The Association funded the following programs during the fiscal year:

Earthquake Shelters:

The Association funded the construction of several hundred temporary shelters for victims of the Fall 2005 earthquake in northern Pakistan. The project was implemented by the Relief Shelter Drive.

Nathgaran Tube Wells:

The Association support program is for the construction of 10 tube wells to provide drinking water to the inhabitants of Nathgaran village and its surroundings. The village had lost its drinking water supply as a result of the Fall 2005 earthquake.

Bio-Sand Water Filters:

The Association support program is for the purchase of 100 low-cost water filters for Jatti village in Sindh. Each filter provides clean drinking water to a family that was previously reliant on rain water collected in ditches.

Employment Bureau:

The Association provided support for the startup of an employment bureau in Peshawar to match lower middle class candidates with job opportunities with local businesses.

Hepatitis B Vaccinations:

The Association funded the immunization of 200 street children in Lahore against Hepatitis B.