

**THE CHILD IS INNOCENT (LATIN BALLE PEE) FOUNDATION**

**Financial Statements**

**Year Ended December 31, 2006**

*(Unaudited)*

**THE CHILD IS INNOCENT (LATIN BALLE PEE) FOUNDATION**

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**Year Ended December 31, 2006**

*(Unaudited)*

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**GADOWSKY LIM & ASSOCIATES**  
**CERTIFIED GENERAL ACCOUNTANTS**

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**REVIEW ENGAGEMENT REPORT**

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To the Directors of The Child Is Innocent (Latin Balle Pee) Foundation

We have reviewed the statement of financial position of The Child Is Innocent (Latin Balle Pee) Foundation as at December 31, 2006 and the statements of revenues and expenditures and net change for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the foundation.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta  
February 22, 2008

*Gadowsky Lim & Associates*  
CERTIFIED GENERAL ACCOUNTANTS

THE CHILD IS INNOCENT (LATIN BALLE PEE) FOUNDATION

Statement of Revenues and Expenditures

Year Ended December 31, 2006

(Unaudited)

	2006	2005
<b>REVENUE</b>		
Donations	\$ 871	\$ 10,578
Fundraising	59,230	13,186
Sponsorship	-	4,303
	<u>60,101</u>	<u>28,067</u>
<b>EXPENDITURES</b>		
Fundraising	26,714	9,365
Interest and bank charges	718	383
Marketing	2,408	-
Meals and entertainment	400	-
Membership fee	-	30
Office	299	821
Professional fees	2,261	-
Sponsorship	-	4,306
Travel	121	1,822
Utilities	-	25
	<u>32,921</u>	<u>16,752</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>\$ 27,180</u>	<u>\$ 11,315</u>

THE CHILD IS INNOCENT (LATIN BALLE PEE) FOUNDATION

Statement of Net Change

Year Ended December 31, 2006

(Unaudited)

	2006	2005
<b>SURPLUS - BEGINNING OF YEAR</b>		
As previously reported	\$ 11,315	\$ -
Prior period adjustments	<u>(5,136)</u>	-
As restated	6,179	-
EXCESS OF REVENUE OVER EXPENDITURES	<u>27,180</u>	11,315
<b>SURPLUS - END OF YEAR</b>	<u>\$ 33,359</u>	\$ 11,315

THE CHILD IS INNOCENT (LATIN BALLE PEE) FOUNDATION

Statement of Financial Position

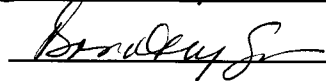
December 31, 2006

(Unaudited)

	2006	2005
<b>ASSETS</b>		
CURRENT		
Cash	\$ 20,949	\$ 22,251
PROPERTY (Note 3)	15,600	-
	<u>\$ 36,549</u>	<u>\$ 22,251</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
CURRENT		
Accounts payable	\$ 3,190	\$ 10,936
SURPLUS	33,359	11,315
	<u>\$ 36,549</u>	<u>\$ 22,251</u>

ON BEHALF OF THE BOARD

 Director

 Director

# THE CHILD IS INNOCENT (LATIN BALLE PEE) FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2006

(Unaudited)

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### 1. DESCRIPTION OF OPERATIONS

The Child is Innocent (Latin Balle Pee) Foundation is a non-profit organization, incorporated under the Business Corporations Act of Canada, whose purpose is advanced education of needy students and to provide child sponsorship to needy children in Northern Uganda and other developing countries.

The Child is Innocent (Latin Balle Pee) Foundation is a non-profit organization under the Income Tax Act, and is therefore exempt from income taxes.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Sales revenue recognition

- a) Sales are normally recognized when the products are sold, at which time title passes to the customer.
- b) Donations are recognized as revenue of the sponsorship in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### Contributed Services

Volunteer services contributed on behalf of the foundation in carrying out its operating activities are not recognized in these financial statements due to the difficulty of determining their fair value.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for amortization of property, plant & equipment. Actual results could differ from these estimates.

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### 3. PROPERTY

	Cost	Accumulated amortization	2006 Net book value	2005 Net book value
Land	\$ 15,600	\$ -	\$ 15,600	\$ -

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### 4. FINANCIAL INSTRUMENTS

The foundation's financial instruments consist of cash, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

**THE CHILD IS INNOCENT (LATIN BALLE PEE) FOUNDATION**

**Notes to Financial Statements**

**Year Ended December 31, 2006**

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5. STATEMENT OF CASH FLOW

A statement of charges in cash flow has not been presented, as it would not provide any additional information.

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6. COMPARATIVE FIGURES

The prior year comparative figures were compiled by another Bookkeeper. Some of the comparative figures have been reclassified to conform to the current year's presentation.

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