

QUECHUA BENEFIT
FINANCIAL STATEMENTS
DECEMBER 31, 2005

KERSHAW & ASSOCIATES

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To the Board Members
Quechua Benefit

We prepared the statement of financial position of Quechua Benefit (a 501(c)(3) organization) as of December 31, 2005, and the related statement of activities for the twelve months then ended.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not performed an audit examination or a review of the accompanying financial statements, and accordingly, we express no opinion or any other form of assurance thereon.

Sincerely,

T. Matt Bannon, EA, LTC
Kershaw and Associates, Inc.
October 4, 2006

Quechua Benefit
Statement of Financial Position
December 31, 2005

	<u>Dec 31, 05</u>
ASSETS	
Current Assets	
Checking/Savings	
Wells Fargo	102,085
Total Checking/Savings	<u>102,085</u>
Total Current Assets	<u>102,085</u>
Inventory	1,000
Dental Equipment	
Dental Stations	10,000
Instruments	5,000
Other Equipment	1,250
Total Dental Equipment	<u>16,250</u>
TOTAL ASSETS	<u><u>119,335</u></u>
LIABILITIES & NET ASSETS	
Liabilities	0
Net Assets	119,335
TOTAL LIABILITIES & NET ASSETS	<u><u>119,335</u></u>

Quechua Benefit
Statement of Activities
For Year Ended December 31, 2005

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
Income					
Contributions	13,426			13,426	
Calendar Receipts		17,458		17,458	See Note A
Product Sales	41,286			41,286	See Note A
Total Income	54,712	17,458	0	72,170	
Expenses					
Fund Raising Expense					
Advertising & Marketing	812			812	
Office Expenses	175			175	
Operating Expense	11,086			11,086	
Total Fund Raising Expense	12,073	0	0	12,073	
Management and General					
Bank Charges	788				
Professional Fees	1,494			1,494	
Total Management and General	2,282	0	0	1,494	
Program Expenses					
Lodging & Meals	727			727	See Note B
Local Dental Supplies	17,879			17,879	
Peruvian Dentist Salary	9,000			9,000	See Note C
Travel & Transportation	24,315			24,315	See Note D
Total Program Expenses	51,921	0	0	51,921	
Charitable Donations	3,150			3,150	See Note E
Total Expense	69,426	0	0	3,150	
Change in Net Assets	(14,714)	17,458	0	3,532	
Net Assets at Beginning of Year	116,591			116,591	
Net Assets at End of Year	101,877	17,458	0	119,335	

Quechua Benefit
Notes to Fincancial Statements

The organization provides charitable aid to the indigenous Quechua tribes of Peru with an emphasis on aiding children. This is accomplished primarily through free dental services as well as direct handouts of blankets, shoes, and other goods.

A Donations are received from the general public as well as from other charitable foundations. Product sales and advertising space in the annual Quechua Benefit calendar are sold to generate supplemental income.

B Hotels and Meals primarily consist of reimbursement of these costs incurred by a local dentist who provides services to the Quechua people on behalf of the organization on a year-round basis.

C A local dentist performs services on behalf of the organization year-round. The organization reimburses the dentist for expenses incurred and provides for a monthly salary for the dentist and dental assistant.

D Travel expenses include the cost of volunteers' airfare from the U.S. to Peru and back, as well as travel and transportation costs within Peru.

E The organization makes periodic donations to Peruvian charities, particularly the Mosqu Runa orphanage which is run by the Catholic church. Donations are sometimes cash, but often are in the form of blankets and shoes given directly to the orphanage children.