

**QUECHUA BENEFIT**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

# 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, 2004, 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.  
May 11, 2005

**Quechua Benefit**  
Statement of Financial Position  
December 31, 2004

	<u>Dec 31, 04</u>
ASSETS	
Current Assets	
Checking/Savings	
Wells Fargo	99,340.51
Total Checking/Savings	<u>99,340.51</u>
Total Current Assets	99,340.51
Inventory	1,000.00
Dental Equipment	
Dental Stations	10,000.00
Instruments	5,000.00
Other Equipment	1,250.00
Total Dental Equipment	<u>16,250.00</u>
TOTAL ASSETS	<u>116,590.51</u>
LIABILITIES & NET ASSETS	
Liabilities	-
Net Assets	116,590.51
TOTAL LIABILITIES & NET ASSETS	<u>116,590.51</u>

**Quechua Benefit**  
Statement of Activities  
For Year Ended December 31, 2004

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
<b>Income</b>					
Contributions	130,040.72			130,040.72	
Calendar Receipts	0.00	14,800.00		14,800.00	See Note A
Inca Tour Receipts	8,500.00	21,250.00		29,750.00	See Note A
<b>Total Income</b>	<b>138,540.72</b>	<b>36,050.00</b>	<b>0.00</b>	<b>174,590.72</b>	
<b>Expenses</b>					
<b>Fund Raising Expense</b>					
Office Expense	100.72			100.72	
Operating Expense	1,387.30			1,387.30	
Calendar	24,844.65			24,844.65	See Note B
Web Site	7,818.67			7,818.67	See Note C
<b>Total Fund Raising Expense</b>	<b>34,151.34</b>	<b>0.00</b>	<b>0.00</b>	<b>34,151.34</b>	
<b>Management and General</b>					
License & Fees	423.00			423.00	
Operating Expense	710.00			710.00	
Professional Fees	972.50			972.50	
<b>Total Management and General</b>	<b>2,105.50</b>	<b>0.00</b>	<b>0.00</b>	<b>2,105.50</b>	
<b>Program Expenses</b>					
Inca Tour Program	21,250.00			21,250.00	See Note D
Communications	526.44			526.44	
Lodging & Meals	2,557.25			2,557.25	See Note E
Local Dental Supplies	6,567.53			6,567.53	
Peruvian Dentist Salary	5,600.00			5,600.00	See Note F
Peruvian Assistant Salary	1,236.00			1,236.00	
Travel & Transportation	11,955.38			11,955.38	See Note G
Vehicle Rental & Fuel	2,932.12			2,932.12	
<b>Total Program Expenses</b>	<b>52,624.72</b>	<b>0.00</b>	<b>0.00</b>	<b>52,624.72</b>	
Charitable Donations	18,027.64			18,027.64	See Note H
<b>Total Expense</b>	<b>106,909.20</b>	<b>0.00</b>	<b>0.00</b>	<b>18,027.64</b>	
<b>Change in Net Assets</b>	<b>31,631.52</b>	<b>36,050.00</b>	<b>0.00</b>	<b>67,681.52</b>	
Net Assets at Beginning of Year	48,908.99			48,908.99	
<b>Net Assets at End of Year</b>	<b>80,540.51</b>	<b>36,050.00</b>	<b>0.00</b>	<b>116,590.51</b>	

**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. Receipts directly related to the annual calendar and the Peruvian Inca Tour program are restricted to those programs with the exception of \$500 from each Inca Tour participant which is allocated to the general fund.

B Starting with calendar year 2004, the organization produces an annual promotional calendar, funded by sponsors on a "per-page" basis. In early 2004 the organization paid for the 2004 calendars and in late 2004 paid for the 2005 calendars. Income for the 2004 calendars was received and reported in late 2003

C In 2004 the organization incurred the bulk of the costs associated with the initial development of a website. Much of these costs are expected to be non-recurring.

D To generate awareness and interest in its cause, the organization coordinates tours of the Peruvian alpaca industry. Participants pay for the entire cost of the tour and contribute \$500 to the organization's general fund.

E 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.

F 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.

G 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.

H 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.