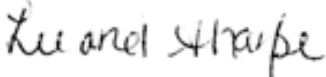


LEE and SHARPE
CHARTERED ACCOUNTANTS

NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of The R.A.K. Foundation as at December 31, 2007 and the statement of revenue and expenditures and changes in net assets for the year then ended. We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon. Readers are cautioned that these statements may not be appropriate for their purposes.

Victoria, B.C.
May 6, 2008


Chartered Accountants

SANDY J. LEE, LTD. **ADAM H. SHARPE, LTD.**

201 - 4400 Chatterton Way (The Aspen)

Victoria, B.C. V8X 5J2

Phone: 250-386-8834

Fax: 250-381-1667

THE R.A.K. FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007

ASSETS

	2007	2006
Current assets		
Cash	\$ 18,830	\$ 19,769
Term deposit	<u>14,411</u>	<u>14,153</u>
	<u>\$ 33,241</u>	<u>\$ 33,922</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued liabilities	\$ 1,482	\$ 2,380
Net assets	<u>31,759</u>	<u>31,542</u>
	<u>\$ 33,241</u>	<u>\$ 33,922</u>

Approved by the Directors

THE R.A.K. FOUNDATION

STATEMENT OF REVENUE AND EXPENDITURES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2007

	2007	2006
REVENUE		
Donations	\$ 27,335	\$ 21,094
Interest income	<u>525</u>	<u>364</u>
	<u>27,860</u>	<u>21,458</u>
PROGRAM EXPENDITURES		
Accommodation	8,850	5,843
Treatment facilities	4,900	4,945
Food	3,650	2,000
Medication	2,438	3,455
Transportation	1,901	1,034
Miscellaneous	<u>897</u>	<u>874</u>
	<u>22,636</u>	<u>18,151</u>
Excess of revenue over program expenditures	<u>5,224</u>	<u>3,307</u>
ADMINISTRATIVE EXPENDITURES		
Meeting	1,857	2,190
Communication	1,500	170
Professional fees	1,238	1,388
Office and sundry	349	-
Bank charges and interest	<u>63</u>	<u>5</u>
	<u>5,007</u>	<u>3,753</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	217	(446)
NET ASSETS, beginning of year	<u>31,542</u>	<u>31,988</u>
NET ASSETS, end of year	<u>\$ 31,759</u>	<u>\$ 31,542</u>

Unaudited - See Notice to Reader