

AUDITOR'S REPORT

TO: The Members of Friends of Makerere in Canada Inc. (FOMAC)

I have audited the balance sheet of Friends of Makerere in Canada Inc. as at March 31, 2006 and the statements of income and changes in financial position for the year then ended.

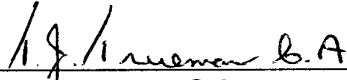
These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentations.

In common with many charitable organizations, the organization derives revenues from benefit dinners, and dues and donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to income, net income from the year or funds under administration.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the benefit dinners, and dues and donations revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2006 and the results of its operations and changes in its financial position for the year then ended, in accordance with generally accepted accounting principles.

Winnipeg, Canada
August 14, 2006



T.J. Trueman, C.A.
Chartered Accountant

FRIENDS OF MAKERERE IN CANADA INC

Balance Sheet
March 31-2006

	2006	2005
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 13,077.00	\$ 10,976.00
Royfund Canadian Money Market fund	\$ 29,619.00	\$ 24,084.00
Account Receivable		\$ 300.00
Guaranteed Investment		
Certificate. Due January 20, 2007	\$ 15,769.00	
Certificate. Due August 26, 2008	\$ 5,000.00	
Certificate. Due January 20, 2006		\$ 15,415.00
Prepaid Expense	\$ 2,000.00	\$ 2,800.00
	\$ 65,465.00	\$ 53,575.00
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Deferred Revenue	\$ 4,050.00	\$ 3,625.00
Accounts Payable	\$ 3,323.00	\$ 5,367.00
	\$ 7,373.00	\$ 8,992.00
FUNDS UNDER ADMINISTRATION		
Balance, beginning of year	\$ 44,583.00	\$ 45,033.00
Net Income (Loss) for the year	\$ 13,509.00	\$ (450.00)
Balance, end of year	\$ 58,092.00	\$ 44,583.00
	\$ 65,465.00	\$ 53,575.00

FRIENDS OF MAKERERE IN CANADA INC
Statement of Income
For the year ended March 31, 2006

	2006	2005
Income		
Benefit Dinner	\$ 21,138.00	
Dues and Donations	\$ 21,995.00	\$ 2,947.00
Interest Earnings	\$ 892.00	\$ 512.00
Premium (Discount) of Conversion of U.S. Bank Account	\$ 260.00	\$ (365.00)
Sale of Prints and Art Cards	\$ 1,695.00	
	\$ 45,980.00	\$ 3,094.00
 Expenses		
Benefit Dinner	\$ 11,539.00	
Framing of Prints	\$ 1,393.00	
Charitable Projects	\$ 17,450.00	\$ 2,639.00
Office and Administration Expenses	\$ 2,089.00	\$ 905.00
	\$ 32,471.00	\$ 3,544.00
Net Income (Loss) for the year	\$ 13,509.00	\$ (450.00)

FRIENDS OF MAKERERE IN CANADA INC
Statement of Changes in Financial Position
March 31, 2006

	2006	2005
Operations		
Net Income (Loss) for the year	\$ 13,509.00	\$ (750.00)
Decrease in Accounts Receivable	\$ 300.00	
(Decrease) Increase in Current Liabilities	\$ (1,619.00)	\$ 2,992.00
Decrease (Increase) in Prepaid Expenses	\$ 800.00	\$ (2,800.00)
	\$ 12,990.00	\$ (558.00)
 Increase (Decrease) in Cash Position	 \$ 12,990.00	 \$ (558.00)
 Accounted for as Follows:		
Balances, beginning of year		
Cash	\$ 10,976.00	\$ 22,046.00
Royfund Canadian Money Market Fund	\$ 24,084.00	\$ 13,874.00
Guaranteed Investment Certificate	\$ 15,415.00	\$ 15,113.00
	\$ 50,475.00	\$ 51,033.00
 Balances End of Year		
Cash	\$ 13,077.00	\$ 10,976.00
Royfund Canadian Money Market Fund	\$ 29,619.00	\$ 24,084.00
Guaranteed Investment Certificate	\$ 20,769.00	\$ 15,415.00
	\$ 63,465.00	\$ 50,475.00
	\$ 12,990.00	\$ (558.00)