

**CANADIAN IRANIAN FOUNDATION
(A CHARITY FOUNDATION)**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2007

AUDITOR'S REPORT

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AUDITOR'S REPORT

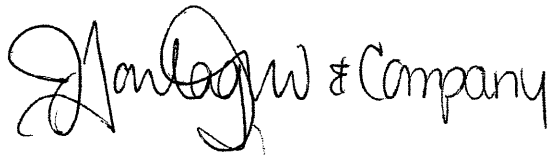
To the Members of Canadian Iranian Foundation
(A Charity Foundation)

I have audited the statement of financial position of Canadian Iranian Foundation (A Charity Foundation) as at December 31, 2007 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian 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 misstatement. 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 presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

North Vancouver, Canada
February 5, 2008



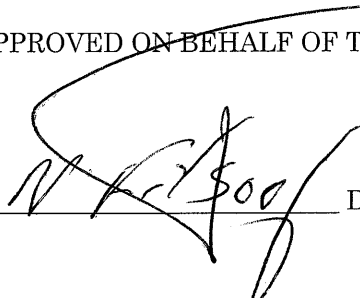
J. Tartaglio & Company
Certified General Accountant



**CANADIAN IRANIAN FOUNDATION
(A CHARITY FOUNDATION)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2007**

| | 2007 | 2006 |
|--------------------------------|------------------|------------------|
| ASSETS | | |
| Current | | |
| Cash | \$ 11,692 | \$ 31,483 |
| Term deposits | 20,000 | - |
| Accrued interest receivable | 161 | - |
| Prepaid expense and deposit | 1,989 | - |
| | \$ 33,842 | \$ 31,483 |
| LIABILITIES | | |
| Current | | |
| Accounts payable | \$ 3,720 | \$ 3,662 |
| NET ASSETS | | |
| Unrestricted net assets | 30,122 | 27,821 |
| | \$ 33,842 | \$ 31,483 |

APPROVED ON BEHALF OF THE BOARD:



Director

Director

See accompanying notes

EXHIBIT B

CANADIAN IRANIAN FOUNDATION
(A CHARITY FOUNDATION)
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2007

| | 2007 | 2006 |
|---|------------------|------------------|
| REVENUES | | |
| Sales (Schedule 1) | \$ 34,948 | \$ 40,697 |
| Cost of sales (Schedule 1) | 32,887 | 27,418 |
| Gross profit | 2,061 | 13,279 |
| Contributions | 25,177 | 17,482 |
| Interest | 334 | - |
| Membership fees | 2,700 | 1,420 |
| | 30,272 | 32,181 |
| EXPENSES | | |
| Advertising | 1,000 | - |
| Audit | 1,617 | 2,660 |
| Bank charges | 309 | 121 |
| Credit card discounts | 13 | 176 |
| General and office | 539 | 905 |
| Legal | 1,704 | 4,134 |
| Scholarships (Schedule 2) | 18,000 | 6,000 |
| Sponsorships (Schedule 3) | 4,535 | - |
| Telephone | 254 | 255 |
| | 27,971 | 14,251 |
| EXCESS OF REVENUES OVER EXPENSES | 2,301 | 17,930 |
| UNRESTRICTED NET ASSETS, beginning of year | 27,821 | 9,891 |
| UNRESTRICTED NET ASSETS, end of year | \$ 30,122 | \$ 27,821 |

See accompanying notes

**CANADIAN IRANIAN FOUNDATION
(A CHARITY FOUNDATION)
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2007**

| | 2007 | 2006 |
|--|------------------|------------------|
| OPERATING ACTIVITIES | | |
| Excess of revenues over expenses | \$ 2,301 | \$ 17,930 |
| Net change in working capital items | | |
| Accrued interest receivable | (161) | - |
| Prepaid expense and deposit | (1,989) | - |
| Accounts payable | 58 | 2,004 |
| Cash generated by operating activities | 209 | 19,934 |
| NET INCREASE IN CASH | 209 | 19,934 |
| CASH, BEGINNING OF YEAR | 31,483 | 11,549 |
| CASH, END OF YEAR | \$ 31,692 | \$ 31,483 |
| REPRESENTED BY: | | |
| Cash | \$ 11,692 | \$ 31,483 |
| Term Deposits | 20,000 | - |
| | \$ 31,692 | \$ 31,483 |

See accompanying notes

**CANADIAN IRANIAN FOUNDATION
(A CHARITY FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

1. PURPOSE OF THE FOUNDATION

The purpose of the Foundation is:

- a) To provide education, counselling, and other support services for immigrants and refugees in need, including language instruction, employment training, job research programs, translation services, and information programs in Canadian culture and life.
- b) To advance education by providing scholarships, bursaries, prizes, and financial assistance to students who will be attending an undergraduate or graduate full degree program at a post-secondary institution in Canada.
- c) For the purposes aforesaid, to receive donations, gifts, bequests, or devises of money or other property.

2. SIGNIFICANT ACCOUNTING POLICY

Revenue recognition

Canadian Iranian Foundation (A Charity Foundation) follows the deferral method of accounting for contributions. Contributions are recognized as revenue when received.

SCHEDULE 1

**CANADIAN IRANIAN FOUNDATION
(A CHARITY FOUNDATION)
SCHEDULE OF SALES AND COST OF SALES
YEAR ENDED DECEMBER 31, 2007**

| | | | 2007 | 2006 |
|--------------------------------------|------------------|--------------------------|-------------------------|-------------------------|
| | Sales | Cost of Sales | Gross Profit | Gross Profit |
| Ticket sales – Darya Concert | \$ 21,259 | \$ 15,149 | \$ 6,110 | \$ - |
| Ticket sales – Lian Ensemble | 13,689 | 17,738 | (4,049) | - |
| Tee-shirt sales | - | - | - | 1,546 |
| Ticket sales – Kamand Ensemble Event | - | - | - | 3,487 |
| Ticket sales – Norouz Gala | - | - | - | 5,134 |
| Auction sales | - | - | - | 3,406 |
| Book sales | - | - | - | 309 |
| Barbecue sales | - | - | - | 360 |
| Prior year event | - | - | - | (963) |
| | \$ 34,948 | \$ 32,887 | \$ 2,061 | \$ 13,279 |

SCHEDULE 2

CANADIAN IRANIAN FOUNDATION
(A CHARITY FOUNDATION)
SCHEDULE OF SCHOLARSHIPS
YEAR ENDED DECEMBER 31, 2007

| Payee | Beneficiary | 2007 Amount | 2006 Amount |
|-----------------------------------|---------------------|------------------------|------------------------|
| 1. Simon Fraser University | Gohar Babakan | \$ - | \$ 3,000 |
| 2. University of British Columbia | Ardalan Ahmadi | - | 1,000 |
| 3. University of British Columbia | Shahrzad Pedram | - | 1,000 |
| 4. University of British Columbia | Elisa Kharazi | - | 1,000 |
| 5. University of British Columbia | Atoosa Golfar | 4,000 | - |
| 6. University of British Columbia | Dena Javadi | 4,000 | - |
| 7. University of British Columbia | Shahin Khayamhashi | 4,000 | - |
| 8. University of British Columbia | Sarvenaz Jahankhani | 2,000 | - |
| 9. University of British Columbia | Sara Salmabadi | 2,000 | - |
| 10. McGill University | Maedeh Kholgi | 2,000 | - |
| | | \$ 18,000 | \$ 6,000 |

SCHEDULE 3

**CANADIAN IRANIAN FOUNDATION
(A CHARITY FOUNDATION)
SCHEDULE OF SPONSORSHIPS
YEAR ENDED DECEMBER 31, 2007**

| | 2007 | 2006 |
|-----------------------------|-----------------|-------------|
| Program/Event | | |
| Persian Let's Learn Program | \$ 3,000 | \$ - |
| Shaheen Youth Football Club | 1,500 | - |
| Festival of Volunteers | 35 | - |
| | \$ 4,535 | \$ - |