

PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2004 AND 2003

Retzlaff & Wong

Chartered Accountants

Jake Retzlaff, C.A.*
Raymond K. W. Wong, C.A.*

#102, 1112 - 40 Avenue N.E.
Calgary, Alberta T2E 5T8 Canada

Bus: (403) 250-7996
Fax: (403) 250-7290

1.

AUDITORS' REPORT

To the Board of
Partners Relief and Development Canada Foundation

We have audited the statement of financial position of Partners Relief and Development Canada Foundation as at JUNE 30, 2004 AND 2003 and the statements of revenue and expenses, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 common with many not-for-profit organizations, the Foundation derives revenue from donations, the completeness of which is not readily susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the foundation and we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenses, assets, liabilities and net assets.

In our opinion, except for the effect of adjustments, if any, which we may have determined to be necessary had we been able to audit the completeness of donations, as discussed in the above paragraph, these financial statements present fairly, in all material respects, the financial positions of the Foundation as at JUNE 30, 2004 AND 2003 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.


CALGARY, ALBERTA
OCTOBER 8, 2004



CHARTERED ACCOUNTANTS

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30**

| | <u>2004</u> | <u>2003</u> |
|--|-----------------|-----------------|
| <u>ASSETS</u> | | |
| CURRENT | | |
| Cash | \$ 9,523 | \$ 1,648 |
| Receivables - goods and services tax | 240 | 133 |
| Prepaid expenses and deposits | <u>-</u> | <u>1,063</u> |
| | <u>\$ 9,763</u> | <u>\$ 2,844</u> |
| <u>LIABILITIES</u> | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | <u>\$ 4,694</u> | <u>\$ 1,972</u> |
| <u>NET ASSETS</u> | | |
| Unrestricted | <u>5,069</u> | <u>872</u> |
| | <u>\$ 9,763</u> | <u>\$ 2,844</u> |

APPROVED BY THE BOARD:


 _____ Director


 _____ Director

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION
STATEMENT OF REVENUE AND EXPENSES AND NET ASSETS
YEAR ENDED JUNE 30**

| | <u>2004</u> | <u>2003</u> |
|---|------------------|------------------|
| REVENUE | | |
| Donations | \$ <u>86,049</u> | \$ <u>60,553</u> |
| EXPENSES | | |
| Program costs | | |
| Funds transferred to Thailand | 52,300 | 28,383 |
| Thailand employee salaries and benefits | 24,495 | 28,181 |
| Promotion - travel | 1,264 | 4,422 |
| Promotion - missions fests | <u>2,955</u> | <u>37</u> |
| | 81,014 | 61,023 |
| Interest and bank charges | 252 | 279 |
| Office and sundry | <u>586</u> | <u>536</u> |
| | <u>81,852</u> | <u>61,838</u> |
| (Deficiency) excess of revenue over expenses | 4,197 | (1,285) |
| Net assets, beginning of year | <u>872</u> | <u>2,157</u> |
| Net assets, end of year | <u>\$ 5,069</u> | <u>\$ 872</u> |

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30**

| | <u>2004</u> <u>Unrestricted</u> | <u>2003</u> <u>Unrestricted</u> |
|--|------------------------------------|------------------------------------|
| Net assets, beginning of year | \$ 872 | \$ 2,157 |
| (Deficiency) excess of revenue over expenses | <u>4,197</u> | <u>(1,285)</u> |
| Net assets, end of year | <u>\$ 5,069</u> | <u>\$ 872</u> |

PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30

| | <u>2004</u> | <u>2003</u> |
|--|-----------------|-----------------|
| CASH FLOWS PROVIDED BY (USED IN) OPERATIONS: | | |
| OPERATING ACTIVITIES | | |
| (Deficiency) excess of revenue over expenses | \$ 4,197 | \$(1,285) |
| Net change in non-cash working capital balances related to operations | | |
| Receivables - goods and services tax | (107) | (76) |
| Prepaid expenses and deposits | 1,063 | (1,063) |
| Accounts payable and accrued liabilities | <u>2,722</u> | <u>1,454</u> |
| | <u>7,875</u> | <u>(970)</u> |
| Changes in cash | 7,875 | (970) |
| Cash, beginning of year | <u>1,648</u> | <u>2,618</u> |
| Cash, end of year | <u>\$ 9,523</u> | <u>\$ 1,648</u> |

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2004 AND 2003**

1. PURPOSE OF THE ORGANIZATION

The Partners Relief and Development Canada Foundation is a registered charity under the Income Tax Act and is set up:

- a) to proclaim God's love to victims of natural disaster, the oppressed and the poor,
- b) to provide essential items like food, clothing, and shelter for victims of natural disaster, the oppressed and the poor,
- c) to help impoverished people and communities with sustainable development projects,
- d) to assist orphans and marginalizes people with appropriate care programs,
- e) to engage in training to develop spiritually mature and capable leaders,
- f) to engage in any lawful activity, subject to expressed limitations, if any.

2. SIGNIFICANT ACCOUNTING POLICIES

Measurement uncertainty

The preparation of the financial statements of the Foundation are in conformity with Canadian generally accepted accounting principles that requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Revenue recognition

Donations are recorded as revenue when received.

Contributed services

Volunteers assist the Foundation in carrying out certain activities. Because of the difficulty of determining their fair value and of the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

Financial instruments

The Foundation's financial instruments consists of cash, accounts receivable and accounts payable. It is management's opinion that the Foundation is not exposed to significant interest or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying value.

3. DISCLOSURE OF SALARIES AND BENEFITS

During the past fiscal year, the board of directors received no remuneration for their services as directors.