

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

# *Retzlaff & Wong*

Chartered Accountants

#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 statements of financial position of Partners Relief and Development Canada Foundation as at DECEMBER 31, 2007 and the statements of operations, changes in net assets, and cash flows for the six months period 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 audit.

We conducted our audit 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 and fundraising activities, 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 of revenue over expenses, current assets 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 and fundraising activities, as discussed in the above paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at DECEMBER 31, 2007 and the results of its operations, changes in net assets and its cash flows for the six months period then ended in accordance with Canadian generally accepted accounting principles.

CALGARY, ALBERTA  
June 27, 2008

  
CHARTERED ACCOUNTANTS

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2007**

	<u>General Fund</u>	<u>International Designated Fund</u>	<u>Dec 2007</u>	<u>June 2007</u>
<b><u>ASSETS</u></b>				
<b>CURRENT</b>				
Cash (Note 3)	\$ 85,012	\$ 2,000	\$ 87,012	\$ 21,354
Accounts receivable	806	-	806	703
Prepaid expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,337</u>
	<u>\$ 85,818</u>	<u>\$ 2,000</u>	<u>\$ 87,818</u>	<u>\$ 34,394</u>
<b><u>LIABILITIES</u></b>				
<b>CURRENT</b>				
Accounts payable and accrued liabilities	\$ 8,544	\$ -	\$ 8,544	\$ 6,570
Undisbursed designated funds (Note 4)	<u>6,000</u>	<u>2,000</u>	<u>8,000</u>	<u>-</u>
	<u>14,544</u>	<u>2,000</u>	<u>16,544</u>	<u>6,570</u>
Commitment (Note 5)				
<b><u>FUND BALANCES</u></b>				
Unrestricted	<u>71,274</u>	<u>-</u>	<u>71,274</u>	<u>27,824</u>
	<u>\$ 85,818</u>	<u>\$ 2,000</u>	<u>\$ 87,818</u>	<u>\$ 34,394</u>

APPROVED BY THE BOARD:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION  
STATEMENT OF OPERATIONS  
SIX MONTHS PERIOD ENDED DECEMBER 31, 2007**

	General Fund	International Designated Fund	<b>Dec 2007</b>	(Note 7) June 2007
<b>REVENUE</b>				
Designated funds	\$ -	\$ 44,516	\$ 44,516	\$ 73,576
Donations	119,996	-	119,996	134,052
Fundraising	10,637	-	10,637	8,930
Mission trips	3,800	-	3,800	18,000
Sundry	<u>40</u>	<u>-</u>	<u>40</u>	<u>-</u>
	<u>134,473</u>	<u>44,516</u>	<u>178,989</u>	<u>234,558</u>
<b>EXPENSES</b>				
Program costs				
Designated funds	-	44,516	44,516	82,546
Fundraising	2,037	-	2,037	1,746
Funds transferred to Thailand	45,752	-	45,752	64,440
Mission trips	3,800	-	3,800	18,000
Promotion - travel	4,152	-	4,152	6,224
Thailand employee salaries and benefits	<u>32,586</u>	<u>-</u>	<u>32,586</u>	<u>58,550</u>
	88,327	44,516	132,843	231,506
Interest and bank charges	966	-	967	1,456
Office and sundry	<u>1,730</u>	<u>-</u>	<u>1,730</u>	<u>709</u>
	<u>91,023</u>	<u>44,516</u>	<u>135,540</u>	<u>233,671</u>
<b>Excess of revenue over expenses</b>	<b>\$ <u>43,450</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>43,449</u></b>	<b>\$ <u>887</u></b>

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION  
STATEMENT OF CHANGES IN NET ASSETS  
SIX MONTHS PERIOD ENDED DECEMBER 31, 2007**

	<u>Unrestricted</u>	<u>International Designated</u>	<u>Dec 2007</u>	<u>(Note 7) June 2007</u>
Net assets, beginning of year	\$ 27,824	\$ -	\$ 27,824	\$ 26,937
Excess of revenue over expenses	<u>43,450</u>	<u>-</u>	<u>43,450</u>	<u>887</u>
Net assets, end of year	<u>\$ 71,274</u>	<u>\$ -</u>	<u>\$ 71,274</u>	<u>\$ 27,824</u>

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION  
STATEMENT OF CASH FLOWS  
SIX MONTHS PERIOD ENDED DECEMBER 31, 2007**

	<u>Dec 2007</u>	(Note 7) <u>June 2007</u>
<b>CASH FLOWS PROVIDED BY (USED IN) OPERATIONS:</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 43,449	\$ 887
Net change in non-cash working capital balances related to operations		
Accounts receivable	( 102)	( 87)
Prepaid expenses	12,337	( 12,337)
Accounts payable and accrued liabilities	1,974	1,726
Undisbursed designated funds	<u>8,000</u>	<u>-</u>
<b>Increase (decreased) in cash</b>	<b>65,658</b>	<b>( 9,811)</b>
Cash, beginning of year	<u>21,354</u>	<u>31,165</u>
Cash, end of year	<u>\$ 87,012</u>	<u>\$ 21,354</u>

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
SIX MONTHS PERIOD ENDED DECEMBER 31, 2007**

## **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**

### **a) 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.

### **b) Fund accounting**

Partners Relief and Development Canada Foundation follows the restricted fund method of accounting for donations.

The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and donations.

The International Designated Fund reports only restricted resources that are to be used for international relief and programs.

### **c) 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.

### **d) Financial instruments**

The Foundation's financial instruments consists of cash, accounts receivable and accounts payable and accrued liabilities. 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. RESTRICTED CASH**

Cash of \$8,000 has been set aside to meet certain externally restricted obligations as discussed in Note 4.

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
SIX MONTHS PERIOD ENDED DECEMBER 31, 2007**

**4. UNDISBURSED DESIGNATED FUNDS**

	<u>Dec 2007</u>	<u>June 2007</u>
Bursary	\$ 2,000	\$ -
Mission	<u>6,000</u>	<u>-</u>
	<u>\$ 8,000</u>	<u>\$ -</u>

**5. COMMITMENT**

The Foundation is committed to spend a minimum of \$10,000 per month on the Thailand project.

**6. DISCLOSURE OF SALARIES AND BENEFITS**

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

**7. COMPARATIVE FIGURES**

Comparative figures are for the twelve months period ending June 30, 2007.