

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

# Retzlaff & Wong

Chartered Accountants

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Partners Relief and Development Canada Foundation

We have audited the accompanying financial statements of Partners Relief and Development Canada Foundation which comprise of the statement of financial position, statement of operations, statement of changes in net assets, and statement of cash flows for the year ended December 31, 2010, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Partners Relief and Development Canada Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Partners Relief and Development Canada Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In common with many not-for-profit organizations, Partners Relief and Development Canada Foundation derives revenues from fund raising activities and 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 Partners Relief and Development Canada Foundation and we were not able to determine whether any adjustments might be necessary to fund raising activities and donations, excess of revenue over expenses, assets and fund balances. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

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 fund raising activities and donations, as discussed above under the Auditor's Responsibility, these financial statements present fairly, in all material respects, the financial position of Partners Relief and Development Canada Foundation as at December 31, 2010 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

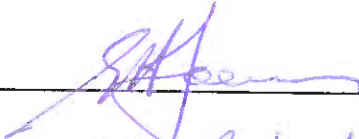
CALGARY, ALBERTA  
June 24, 2011


  
CHARTERED ACCOUNTANTS

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2010**

	<u>General Fund</u>	<u>International Fund</u>	<u>2010</u>	<u>2009</u>
<b><u>ASSETS</u></b>				
<b>CURRENT</b>				
Cash	\$ 55,571	\$ -	\$ 55,571	\$ 56,142
Short term investments (Note 2c)	24,518	-	24,518	24,518
Accounts receivable	1,577	-	1,577	1,385
Prepaid expenses	<u>2,212</u>	<u>-</u>	<u>2,212</u>	<u>2,018</u>
	<u>\$ 83,878</u>	<u>\$ -</u>	<u>\$ 83,878</u>	<u>\$ 84,063</u>
 <b><u>LIABILITIES</u></b>				
<b>CURRENT</b>				
Accounts payable and accrued liabilities	\$ 9,462	\$ -	\$ 9,462	\$ 9,667
Undisbursed designated funds (Note 3)	<u>346</u>	<u>-</u>	<u>346</u>	<u>6,000</u>
	<u>9,808</u>	<u>-</u>	<u>9,808</u>	<u>15,667</u>
Commitment (Note 4)				
 <b><u>FUND BALANCES</u></b>				
Unrestricted	<u>74,070</u>	<u>-</u>	<u>74,070</u>	<u>68,396</u>
	<u>\$ 83,878</u>	<u>\$ -</u>	<u>\$ 83,878</u>	<u>\$ 84,063</u>

APPROVED BY THE BOARD:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	General Fund	International Fund	<b>2010</b>	(Note 6) 2009
<b>REVENUE</b>				
Designated funds	\$ 12,691	\$ 62,427	<b>\$ 75,118</b>	\$ 73,772
Donations	176,760	-	<b>176,760</b>	155,309
Fundraising	99,418	-	<b>99,418</b>	39,742
Mission trips	8,254	-	<b>8,254</b>	23,200
Sundry	<u>17</u>	<u>-</u>	<b><u>17</u></b>	<u>501</u>
	<u>297,140</u>	<u>62,427</u>	<b><u>359,567</u></b>	<u>292,524</u>
<b>EXPENSES</b>				
<b>Program costs</b>				
Designated funds	12,691	62,996	<b>75,687</b>	75,203
Fundraising	15,560	-	<b>15,560</b>	14,588
Funds transferred to Thailand	181,452	-	<b>181,452</b>	140,083
Mission trips	8,254	-	<b>8,254</b>	23,200
Promotion and newsletters	9,928	-	<b>9,928</b>	4,562
Program supervision travel	4,299	-	<b>4,299</b>	7,316
Employee salaries and benefits	<u>41,874</u>	<u>-</u>	<b><u>41,874</u></b>	<u>36,370</u>
	274,058	62,996	<b>337,054</b>	301,322
Interest and bank charges	3,447	-	<b>3,447</b>	2,175
Office and sundry	<u>13,392</u>	<u>-</u>	<b><u>13,392</u></b>	<u>8,166</u>
	<u>290,897</u>	<u>62,996</u>	<b><u>353,893</u></b>	<u>311,663</u>
<b>Excess (deficiency) of revenue over expenses</b>	<b><u>\$ 6,243</u></b>	<b><u>\$ ( 569)</u></b>	<b><u>\$ 5,674</u></b>	<b><u>\$ ( 19,139)</u></b>

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Unrestricted</u>	<u>International</u>	<u>2010</u>	<u>2009</u>
Net assets, beginning of year	\$ 67,827	\$ 569	\$ 68,396	\$ 87,535
Excess (deficiency) of revenue over expenses	<u>6,243</u>	<u>( 569)</u>	<u>5,674</u>	<u>( 19,139)</u>
Net assets, end of year	<u>\$ 74,070</u>	<u>\$ -</u>	<u>\$ 74,070</u>	<u>\$ 68,396</u>

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS PROVIDED BY (USED IN) OPERATIONS:</b>		
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 5,674	\$( 19,139)
Net change in non-cash working capital balances related to operations		
Accounts receivable	( 192)	( 1,017)
Prepaid expenses	( 194)	( 369)
Accounts payable and accrued liabilities	( 205)	( 511)
Undisbursed designated funds	<u>( 5,654)</u>	<u>( 9,121)</u>
	<u>( 571)</u>	<u>( 30,157)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of short term investments	<u>-</u>	<u>( 17,518)</u>
<b>Change in cash</b>	<b>( 571)</b>	<b>( 47,675)</b>
Cash, beginning of year	<u>56,142</u>	<u>103,817</u>
Cash, end of year	<u>\$ 55,571</u>	<u>\$ 56,142</u>

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

## **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 marginalized 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) Short term investments**

Investments are recorded at cost. Market value at year end is \$20,773 (2009 - \$14,963). Subsequent to year end the Foundation sold the short term investments for the net proceeds of \$47,811.

### **d) 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.

### **e) Financial instruments**

The Foundation's financial instruments consists of cash, investments, 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.

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**f) Future Accounting Policies**

The Canadian Accounting Standards Board (AcSB) has developed a new set of accounting standards for not-for-profit organizations as Part III of the CICA Handbook – Accounting, effective January 1, 2012. Not-for-profit organizations are provided a free choice of adopting the new standards for not-for-profit organizations or the International Financial Reporting Standards (IFRS) for annual financial statements relating to fiscal years beginning on or after January 1, 2012. The Society has decided to early adopt the new standards for not-for-profit organizations in the 2011 fiscal year as permitted by AcSB.

**3. UNDISBURSED DESIGNATED FUNDS**

	<u>2010</u>	<u>2009</u>
Mission	\$ <u>346</u>	\$ <u>6,000</u>

**4. COMMITMENT**

The Foundation has committed to spend a minimum of \$15,000 per month on the Thailand project plus \$2,500 per month on the International Office and program.

**5. DISCLOSURE OF SALARIES AND BENEFITS**

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

**6. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with current year's presentation.