

**PARTNERS RELIEF AND DEVELOPMENT CANADA
FOUNDATION**

Financial Statements

December 31, 2011

Partners Relief and Development Canada Foundation
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For the Year Ended December 31, 2011

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INDEPENDENT AUDITOR'S REPORT

To the Members of Partners Relief and Development Canada Foundation:

Report on the financial statements

We have audited the accompanying financial statements of Partners Relief and Development Canada Foundation, which comprise the statement of financial position as at December 31, 2011, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for 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 are 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 entity'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 purpose of expressing an opinion on the effectiveness of the entity'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. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

In common with many not for profit organizations, Partners Relief and Development Canada Foundation derives revenues from fundraising activities and donations, the completeness of which is not readily susceptible to 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.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 fundraising activities and donations, as discussed in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Partners Relief and Development Canada Foundation as at December 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other matters

The financial statements of Partners Relief and Development Canada Foundation for the year ended December 31, 2010 were audited by other auditors whose report dated June 24, 2011 expressed a qualified opinion except for the effect of adjustments, if any, which they may have determined to be necessary had they been able to audit the completeness of fundraising activities and donations.

Thompson Penner & Lo LLP


Certified General Accountants


May 28, 2012
Calgary, Alberta, Canada

Partners Relief and Development Canada Foundation
Statement of Financial Position
As at December 31, 2011

	General Fund	International Fund	2011	2010
ASSETS				
Current				
Cash	\$ 77,753	\$ 17,339	\$ 95,092	\$ 55,571
Short term investments	-	-	-	24,518
GST receivable	843	-	843	1,577
Prepaid expenses and other current assets	2,306	-	2,306	2,212
	<u>\$ 80,902</u>	<u>\$ 17,339</u>	<u>\$ 98,241</u>	<u>\$ 83,878</u>
LIABILITIES				
Current				
Accounts payable and accrued liabilities	\$ 15,977	\$ -	\$ 15,977	\$ 9,462
Undisbursed designated funds	-	-	-	346
	<u>15,977</u>	<u>-</u>	<u>15,977</u>	<u>9,808</u>
NET ASSETS				
Restricted	-	17,339	17,339	-
Unrestricted	64,925	-	64,925	74,070
	<u>64,925</u>	<u>17,339</u>	<u>82,264</u>	<u>74,070</u>
	<u>\$ 80,902</u>	<u>\$ 17,339</u>	<u>\$ 98,241</u>	<u>\$ 83,878</u>

Approved on behalf of the Board:

Director: 

Director: 

Partners Relief and Development Canada Foundation
Statement of Operations
For the Year Ended December 31, 2011

	International		2011	2010
	General Fund	Fund		
Revenue				
Donations	\$ 155,129	\$ -	\$ 155,129	\$ 176,760
Designated funds	18,758	73,655	92,413	75,118
Fundraising events	92,445	-	92,445	99,419
Gain on sale of short term investments	23,267	-	23,267	-
Mission trips	4,901	-	4,901	8,254
Miscellaneous income	2,310	-	2,310	17
	296,810	73,655	370,465	359,568
Expenses				
Program costs				
Funds transferred to Thailand	176,284	56,316	232,600	244,449
Salaries and benefits	57,447	-	57,447	54,565
Fundraising	14,960	-	14,960	15,620
Advocacy	11,931	-	11,931	1,245
Promotion and newsletters	8,659	-	8,659	8,683
Program supervision travel	7,806	-	7,806	4,299
Mission trips	4,901	-	4,901	8,254
	281,988	56,316	338,304	337,115
Other				
Office and sundry	20,611	-	20,611	13,332
Bank charges	3,356	-	3,356	3,447
	305,955	56,316	362,271	353,894
Excess (deficiency) of revenue over expenses	\$ (9,145)	\$ 17,339	\$ 8,194	\$ 5,674

Partners Relief and Development Canada Foundation
Statement of Changes in Net Assets
For the Year Ended December 31, 2011

	International		2011	2010
	General Fund	Fund		
Net assets, beginning of year	\$ 74,070	\$ -	\$ 74,070	\$ 68,396
Excess (deficiency) of revenue over expenses	(9,145)	17,339	8,194	5,674
Net assets, end of year	\$ 64,925	\$ 17,339	\$ 82,264	\$ 74,070

Partners Relief and Development Canada Foundation
Statement of Cash Flows
For the Year Ended December 31, 2011

	2011	2010
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 8,194	\$ 5,674
Non-cash transaction:		
Gain on sale of short term investments	(23,267)	-
Changes in non-cash working capital:		
Prepaid expenses and other current assets	(94)	(194)
Accounts payable and accrued liabilities	6,515	(205)
GST receivable	734	(192)
Undisbursed designated funds	(346)	(5,654)
	<u>(8,264)</u>	<u>(571)</u>
INVESTING ACTIVITY:		
Proceeds from sale of short term investments	<u>47,785</u>	-
Increase (decrease) in cash	39,521	(571)
Cash, beginning of year	<u>55,571</u>	56,142
Cash, end of year	<u>\$ 95,092</u>	<u>\$ 55,571</u>

Partners Relief and Development Canada Foundation
Notes to the Financial Statements
For the Year Ended December 31, 2011

1. NATURE OF THE ORGANIZATION

The Partners Relief and Development Canada Foundation ("the Foundation" or "Partners Canada") is a registered charity under the Income Tax Act and is exempt from income taxes. The Foundation was established on October 16, 2001 with the following objectives:

- to proclaim God's love to victims of natural disaster, the oppressed and the poor;
 - to provide essential items like food, clothing, and shelter for victims of natural disaster, the oppressed and the poor;
 - to help impoverished people and communities with sustainable development projects;
 - to assist orphans and marginalized people with appropriate care programs; and
 - to engage in training to develop spiritually mature and capable leaders.
-

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Cash

Cash includes cash and cash equivalents. Cash equivalents consist primarily of checking and savings accounts with an original maturity date at purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates their fair value.

b) Revenue recognition

The Foundation follows the restricted fund method of recognizing contributions. Unrestricted contributions are recognized in the period in which they are received. Restricted contributions for the use of the International Fund are recognized as revenue of the International Fund in the period received. Restricted contributions for operations of the general fund are deferred and recognized as revenue when the related expenses are incurred. Interest and other revenue is recognized on the accrual basis in the period to which the interest relates.

The general fund accounts for the Foundation's program delivery and administrative activities. This fund reports contributions restricted for these activities, and all unrestricted resources and donations.

The international designated fund reports restricted resources and donations that are to be used for international relief and programs.

c) Financial instruments

The Foundation's financial instruments consist 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.

d) Short term investments

Investments are recorded at cost. The market value at December 31, 2011 was \$Nil (2010: \$20,773). During the 2011 year, the Foundation sold the short term investments for net proceeds of \$47,785.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

e) Contributed services

Volunteers assist the Foundation in carrying out certain activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

f) New accounting pronouncement

In 2010, the Accounting Standards Board issued new accounting standards for not for profit organizations which must be adopted for years beginning on or after January 1, 2012. Management is currently reviewing the standards to determine the potential effect of their adoption on the financial statements of the Foundation, but it currently appears that the changes will not be significant.

3. COMMITMENT

Partners Canada entered into a contract agreement with Mitmaitree Foudation ("Mitmaitree"), operating as Partners Relief and Development Thailand, to deliver the field assistance programs to the hill tribe people of Thailand and to the refugees and internally displaced people of Burma (Myanmar). Partners Canada has committed to transfer to Mitmaitree \$17,500 (Canadian dollars) monthly to carry out the field programs.

4. DISCLOSURE OF SALARIES AND BENEFITS

During 2011 (and 2010), the board of directors received no remuneration for their services as directors.

5. COMPARATIVE FIGURES

The 2010 financial statements were audited by other auditors, whose report dated June 24, 2011 expressed a qualified opinion except for the effect of adjustments, if any, which the auditors may have determined to be necessary had they been able to audit the completeness of fund raising activities and donations.

Certain 2010 figures have been reclassified to conform with the 2011 presentation.
