

Partners Relief and Development Canada Foundation
Financial Statements
For the year ended December 31, 2018

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Independent Auditor's Report

To the Members of Partners Relief and Development Canada Foundation

Opinion

We have audited the financial statements of Partners Relief and Development Canada Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements of the Foundation for the year ended December 31, 2017, were audited by the firm of Calvista LLP, whose practice now operates under BDO Canada LLP, and who expressed an unmodified opinion on those statements on May 24, 2018.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Calgary, Alberta
May 29, 2019

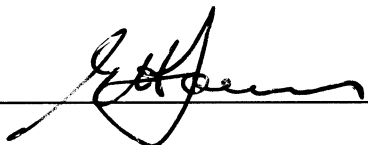
Partners Relief and Development Canada Foundation Statement of Financial Position

As at December 31	General Fund	International Fund	2018	2017
Assets				
Current				
Cash	\$ 104,491	\$ 13,233	\$ 117,724	\$ 126,323
Accounts receivable	40	-	40	40
Goods and service tax recoverable	222	-	222	273
Prepaid expenses	3,175	-	3,175	2,178
	<u>\$ 107,928</u>	<u>\$ 13,233</u>	<u>\$ 121,161</u>	<u>\$ 128,814</u>

Liabilities and Net Assets

Current				
Accounts payable and accrued liabilities	14,197	-	14,197	12,689
Net Assets				
Restricted	-	13,233	13,233	10,935
Unrestricted	93,731	-	93,731	105,190
	<u>93,731</u>	<u>13,233</u>	<u>106,964</u>	<u>116,125</u>
	<u>\$ 107,928</u>	<u>\$ 13,233</u>	<u>\$ 121,161</u>	<u>\$ 128,814</u>

Approved on behalf of the Board:

 _____, Director

 _____, Director

The accompanying notes are an integral part of these financial statements.

Partners Relief and Development Canada Foundation Statement of Operations

For the year ended December 31	General Fund	International Fund	2018	2017
Revenue				
Donations	\$ 176,028	\$ -	\$ 176,028	\$ 160,122
Designated funds	9,000	140,579	149,579	155,681
Fundraising events	34,045	-	34,045	53,571
Miscellaneous income	294	-	294	197
	219,367	140,579	359,946	369,571
Expenses				
Program costs				
Funds transferred to projects	110,947	142,053	253,000	240,000
Salaries and benefits	72,668	-	72,668	65,871
Fundraising	7,884	-	7,884	8,617
Promotion and newsletters	8,385	-	8,385	5,423
Program supervision travel	4,150	-	4,150	5,303
	204,034	142,053	346,087	325,214
Other				
Office and Sundry	19,015	-	19,015	22,424
Bank charges	4,007	-	4,007	5,150
	227,056	142,053	369,109	352,788
Excess (deficiency) of revenues over expenses	(7,689)	(1,474)	(9,163)	16,783

The accompanying notes are an integral part of these financial statements.

**Partners Relief and Development Canada Foundation
Statement of Changes in Net Assets**

For the year ended December 31	General Fund	International Fund	2018	2017
Balance, beginning of year	\$ 101,420	\$ 14,707	\$ 116,127	\$ 99,342
Excess (deficiency) of revenue over expenses	(7,689)	(1,474)	(9,163)	16,783
Balance, end of year	93,731	13,233	106,964	116,125

The accompanying notes are an integral part of these financial statements.

Partners Relief and Development Canada Foundation Statement of Cash Flows

For the year ended December 31	2018	2017
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses	\$ (9,163)	\$ 16,783
Change in non-cash working capital items:		
Accounts payable and accrued liabilities	1,510	(5,067)
Prepaid expenses	(997)	(1,181)
Goods and services tax recoverable	51	1,155
	<u>564</u>	<u>(5,093)</u>
Increase (decrease) in cash flows during the year	(8,599)	11,690
Cash, beginning of year	126,323	114,633
Cash, end of year	\$ 117,724	\$ 126,323

The accompanying notes are an integral part of these financial statements.

Partners Relief and Development Canada Foundation

Notes to the Financial Statements

December 31, 2018

1. Nature of operations

The Partners Relief and Development Canada Foundation ("the Foundation") is a registered charity under the Income Tax Act and as a result is exempt from income tax under Section 149(1)(l). 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. Significant Accounting Policies

Basis of accounting

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

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 Fund reports restricted resources and donations that are to be used for international relief and programs.

Cash

Cash consists of balances with financial institutions.

Partners Relief and Development Canada Foundation

Notes to the Financial Statements

December 31, 2018

2. Significant Accounting Policies, continued

Financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost. The financial assets measured at amortized cost include cash and cash equivalents, and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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.

Goods and Services Tax

Goods and Services Tax is recoverable at 50% as a rebate. The unrecoverable 50% is recorded as part of the expenses with the rebate treated as a receivable.

Measurement Uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant.

3. Fundraising revenue and expenses

In accordance with regulation, Section 7(2)(e) of the “Charities Fundraising Act and Regulation”, gross fundraising contributions received were \$12,425 (2017: \$15,364).

Expenses incurred in the year for the purposes of soliciting contributions were \$5,900 (2017: 7,857).

4. Disclosure of salaries and benefits

During 2018, the board of directors received no remuneration (2017: \$Nil) for their services as directors.

Partners Relief and Development Canada Foundation

Notes to the Financial Statements

December 31, 2018

5. Financial instruments

The Foundation's financial instruments consist of cash, accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments. There has been no change in this risk assessment from the previous year.