

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2006 AND 2005**

# *Retzlaff & Wong*

Chartered Accountants

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

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

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## 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 JUNE 30, 2006 AND 2005 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 position of the Foundation as at JUNE 30, 2006 AND 2005 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

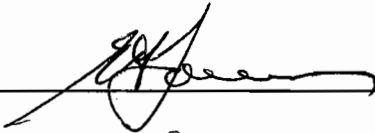
CALGARY, ALBERTA  
September 14, 2006

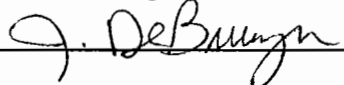
  
CHARTERED ACCOUNTANTS

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

	<u>General Fund</u>	<u>International Designated Fund</u>	<u>2006</u>	<u>2005</u>
<b><u>ASSETS</u></b>				
<b>CURRENT</b>				
Cash	\$ 22,195	\$ 8,970	<b>\$ 31,165</b>	\$ 28,521
Accounts receivable	<u>616</u>	<u>-</u>	<b><u>616</u></b>	<u>851</u>
	<b><u>\$ 22,811</u></b>	<b><u>\$ 8,970</u></b>	<b><u>\$ 31,781</u></b>	<b><u>\$ 29,372</u></b>
<b><u>LIABILITIES</u></b>				
<b>CURRENT</b>				
Accounts payable and accrued liabilities	<u>\$ 4,844</u>	<u>\$ -</u>	<b><u>\$ 4,844</u></b>	<u>\$ 3,130</u>
<b><u>FUND BALANCES</u></b>				
Restricted	-	8,970	<b>8,970</b>	-
Unrestricted	<u>17,967</u>	<u>-</u>	<b><u>17,967</u></b>	<u>26,242</u>
	<u>17,967</u>	<u>8,970</u>	<b><u>26,937</u></b>	<u>26,242</u>
	<b><u>\$ 22,811</u></b>	<b><u>\$ 8,970</u></b>	<b><u>\$ 31,781</u></b>	<b><u>\$ 29,372</u></b>

APPROVED BY THE BOARD:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

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

	<u>General Fund</u>	<u>International Designated Fund</u>	<u>Total 2006</u>	<u>Total 2005</u>
<b>REVENUE</b>				
Designated funds	\$ -	\$ 68,940	<b>\$ 68,940</b>	\$ 78,087
Donations	104,668	-	<b>104,668</b>	93,605
Fundraising	7,150	-	<b>7,150</b>	5,602
Mission trips	17,729	7,000	<b>24,729</b>	35,930
Sundry	<u>900</u>	<u>-</u>	<b><u>900</u></b>	<u>-</u>
	<u>130,447</u>	<u>75,940</u>	<b><u>206,387</u></b>	<u>213,224</u>
<b>EXPENSES</b>				
Program costs				
Designated funds	-	66,970	<b>66,970</b>	78,087
Fund raising	25,366	-	<b>25,366</b>	3,249
Funds transferred to Thailand	49,748	-	<b>49,748</b>	44,484
Mission trips	17,053	-	<b>17,053</b>	33,509
Promotion - travel	4,473	-	<b>4,473</b>	2,846
Promotion - missions fests	-	-	-	1,276
Thailand employee salaries and benefits	<u>38,620</u>	<u>-</u>	<b><u>38,620</u></b>	<u>27,348</u>
	135,260	66,970	<b>202,230</b>	190,799
Interest and bank charges	1,107	-	<b>1,107</b>	428
Office and sundry	<u>2,355</u>	<u>-</u>	<b><u>2,355</u></b>	<u>824</u>
	<u>138,722</u>	<u>66,970</u>	<b><u>205,692</u></b>	<u>192,051</u>
<b>(Deficiency) excess of revenue over expenses</b>	<b><u><u>\$ ( 8,275)</u></u></b>	<b><u><u>\$ 8,970</u></u></b>	<b><u><u>\$ 695</u></u></b>	<b><u><u>\$ 21,173</u></u></b>

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

	<u>Unrestricted</u>	<u>International Designated</u>	<u>Total 2006</u>	<u>Total 2005</u>
Net assets, beginning of year	\$ 26,242	\$ -	\$ 26,242	\$ 5,069
(Deficiency) excess of revenue over expenses	<u>( 8,275)</u>	<u>8,970</u>	<u>695</u>	<u>21,173</u>
Net assets, end of year	<u>\$ 17,967</u>	<u>\$ 8,970</u>	<u>\$ 26,937</u>	<u>\$ 26,242</u>

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

	<u>2006</u>	<u>2005</u>
<b>CASH FLOWS PROVIDED BY (USED IN) OPERATIONS:</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 695	\$ 21,173
Net change in non-cash working capital balances related to operations		
Accounts receivable - goods and services tax	235	( 611)
Accounts payable and accrued liabilities	<u>1,714</u>	<u>( 1,564)</u>
	<u>2,644</u>	<u>18,998</u>
<b>Increase in cash</b>	<b>2,644</b>	<b>18,998</b>
Cash, beginning of year	<u>28,521</u>	<u>9,523</u>
Cash, end of year	<u>\$ 31,165</u>	<u>\$ 28,521</u>

**PARTNERS RELIEF AND DEVELOPMENT CANADA FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2006 AND 2005**

**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**

- (b.1) Partners Relief and Development Canada Foundation follows the restricted fund method of accounting for donations.
- (b.2) The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and donations.
- (b.3) 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. DISCLOSURE OF SALARIES AND BENEFITS**

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

**4. COMPARATIVE FIGURES**

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