

**PARTNERS RELIEF AND DEVELOPMENT CANADA  
FOUNDATION**

**Financial Statements**

**December 31, 2012**

**Partners Relief and Development Canada Foundation**  
**Index to the Financial Statements**  
**For the Year Ended December 31, 2012**

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	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Operations	3
Statements of Changes in Net Assets	4
Statements of Cash Flows	5
Notes to the Financial Statements	6 - 7

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## INDEPENDENT AUDITOR'S REPORT

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**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 statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, and the statements of operations, changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, 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 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.

### **Auditor's responsibility**

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 comply with ethical requirements and plan and perform the audits 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Partners Relief And Development Canada Foundation as at December 31, 2012, December 31, 2011 and January 1, 2011 and the results of its operations and its cash flows for the years ended December 31, 2012 and December 31, 2011, in accordance with Canadian accounting standards for not-for-profit organizations.

*Thompson Penner & Lo LLP*

Certified General Accountants

June 12, 2013  
Calgary, Alberta, Canada

# Partners Relief and Development Canada Foundation

## Statements of Financial Position

As at December 31, 2011 and 2012 and January 1, 2011

	General Fund	International Fund	2012	2011	January 1, 2011
<b>ASSETS</b>					
<b>Current</b>					
Cash	\$ 38,477	\$ 33,371	\$ 71,848	\$ 95,092	\$ 55,571
Short term investments	-	-	-	-	24,518
GST receivable	1,180	-	1,180	843	1,577
Prepaid expenses and other current assets	1,710	-	1,710	2,306	2,212
	<b>\$ 41,367</b>	<b>\$ 33,371</b>	<b>\$ 74,738</b>	<b>\$ 98,241</b>	<b>\$ 83,878</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	\$ 14,662	\$ -	\$ 14,662	\$ 15,977	\$ 9,462
Undisbursed designated funds	-	-	-	-	346
	<b>14,662</b>	<b>-</b>	<b>14,662</b>	<b>15,977</b>	<b>9,808</b>
<b>NET ASSETS</b>					
Restricted	-	33,371	33,371	17,339	-
Unrestricted	26,705	-	26,705	64,925	74,070
	<b>26,705</b>	<b>33,371</b>	<b>60,076</b>	<b>82,264</b>	<b>74,070</b>
	<b>\$ 41,367</b>	<b>\$ 33,371</b>	<b>\$ 74,738</b>	<b>\$ 98,241</b>	<b>\$ 83,878</b>

Approved on behalf of the Board:

Director: K E Sadand

Director: [Signature]

The accompanying notes form an integral part of the financial statements

**Partners Relief and Development Canada Foundation**  
**Statement of Operations**  
**For the Years Ended December 31, 2011 and 2012**

	General Fund	International Fund	2012	2011
<b>Revenue</b>				
Donations	\$ 164,634	\$ -	\$ 164,634	\$ 155,129
Designated funds	14,004	67,363	81,367	92,413
Fundraising events	69,541	-	69,541	92,445
Mission trips	13,498	-	13,498	4,901
Miscellaneous income	212	-	212	2,310
Gain on sale of short term investments	-	-	-	23,267
	<u>261,889</u>	<u>67,363</u>	<u>329,252</u>	<u>370,465</u>
<b>Expenses</b>				
Program costs				
Funds transferred to projects	155,484	51,331	206,815	232,600
Salaries and benefits	59,667	-	59,667	57,447
Fundraising	18,529	-	18,529	14,960
Mission trips	12,917	-	12,917	4,901
Promotion and newsletters	10,585	-	10,585	8,659
Advocacy	8,514	-	8,514	11,931
Program supervision travel	5,293	-	5,293	7,806
	<u>270,989</u>	<u>51,331</u>	<u>322,320</u>	<u>338,304</u>
Other				
Office and sundry	25,667	-	25,667	20,611
Bank charges	3,453	-	3,453	3,356
	<u>300,109</u>	<u>51,331</u>	<u>351,440</u>	<u>362,271</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u>\$ (38,220)</u>	<u>\$ 16,032</u>	<u>\$ (22,188)</u>	<u>\$ 8,194</u>

The accompanying notes form an integral part of the financial statements

**Partners Relief and Development Canada Foundation**  
**Statements of Changes in Net Assets**  
**For the Years Ended December 31, 2011 and 2012**

	International			
	General Fund	Fund	2012	2011
Net assets, beginning of year	\$ 64,925	\$ 17,339	\$ 82,264	\$ 74,070
Excess (deficiency) of revenue over expenses	(38,220)	16,032	(22,188)	8,194
<b>Net assets, end of year</b>	<b>\$ 26,705</b>	<b>\$ 33,371</b>	<b>\$ 60,076</b>	<b>\$ 82,264</b>

The accompanying notes form an integral part of the financial statements



**Partners Relief and Development Canada Foundation**  
**Statement of Cash Flows**  
**For the Years Ended December 31, 2011 and 2012**

	2012	2011
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ (22,188)	\$ 8,194
Non-cash transaction:		
Gain on sale of short term investments	-	(23,267)
Changes in non-cash working capital:		
Prepaid expenses and other current assets	596	(94)
Accounts payable and accrued liabilities	(1,315)	6,515
GST receivable	(337)	734
Undisbursed designated funds	-	(346)
	<u>(23,244)</u>	<u>(8,264)</u>
<b>INVESTING ACTIVITY:</b>		
Proceeds from sale of short term investments	-	47,785
	<u>(23,244)</u>	<u>39,521</u>
<b>Increase (decrease) in cash</b>	<b>(23,244)</b>	<b>39,521</b>
Cash, beginning of year	<u>95,092</u>	<u>55,571</u>
<b>Cash, end of year</b>	<b>\$ 71,848</b>	<b>\$ 95,092</b>

The accompanying notes form an integral part of the financial statements

## Partners Relief and Development Canada Foundation

### Notes to the Financial Statements

For the Year Ended December 31, 2012

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#### 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.
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#### 2. IMPACT OF THE CHANGES IN THE BASIS OF ACCOUNTING

Effective January 1, 2012, the Foundation adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook – Accounting, electing to adopt the new accounting framework: Canadian accounting standards for not-for-profit organizations. These are the Foundation's first financial statements prepared in accordance with these accounting standards, which has been applied retrospectively. The accounting policies set out in the following significant accounting policy note have been applied in preparing the financial statements for the year ended December 31, 2012, the comparative information presented in these financial statements for the year ended December 31, 2011 and in the preparation of an opening statement of financial position as at January 1, 2011 (the Foundation's date of transition).

The Foundation issued financial statements for the year ended December 31, 2011 using generally accepted accounting principles prescribed by the CICA Handbook – Accounting XFI. The adoption of Canadian accounting standards for not-for-profit organizations had no impact on the Foundation's excess of revenues over expenses for the year ended December 31, 2011 or on the net assets as at January 1, 2011, the date of transition. Certain of the Foundation's disclosures included in these financial statements reflect the new disclosure requirements of Canadian accounting standards for not-for-profit organizations.

Note that the Foundation's 2012 statement of financial position is three columns: December 31, 2012, December 31, 2011 and January 1, 2011. The balances for the January 1, 2011 statement of financial position are the same as those shown for December 31, 2010 because there were no transitional adjustments to these balances.

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#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CICA Handbook*, 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.

*(Continued on next page)*

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

**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 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, short term investments, GST receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

**d) 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.

**e) Goods and Services Tax**

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

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**4. DISCLOSURE OF SALARIES AND BENEFITS**

During 2012 (and 2011), the board of directors received no remuneration for their services as directors.

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