Partners Relief & Development

(a nonprofit Nevada corporation)
Aurora, Colorado

Financial Statements

December 31, 2017

Partners Relief & Development

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Independent Auditors' Report

To the Board of Directors
Partners Relief & Development
Aurora, Colorado

We have audited the accompanying financial statements of Partners Relief & Development (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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.

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Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Partners Relief & Development as of December 31, 2017, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Altruic Advisors, PLLC

Certified Public Accountants

Denver, Colorado
June 18, 2018

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Partners Relief & Development

Statement of Financial Position

December 31, 2017

ASSETS		
Current Assets		
Cash and cash equivalents	$	585,500
Investments		242
Contributions receivable		10,000
Inventories		5,958
Other current assets		2,139
Total current assets		603,839
Equipment		
Equipment		6,959
Software		11,760
		18,719
Less accumulated depreciation		(9,180)
Net equipment		9,539
Other Assets		
Deposit		700
Total assets	$	614,078
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts and grants payable	$	337,480
Accrued compensation and benefits		9,678
Total current liabilities		347,158
Net Assets		
Unrestricted		142,041
Temporarily restricted		124,879
Total net assets		266,920
Total liabilities and net assets	$	614,078

The accompanying Notes are an integral
part of these financial statements

Partners Relief & Development

Statement of Activities

Year ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Support			
Contributions	$ 2,831,636	$ 323,926	$ 3,155,562
In-kind contributions	80,638	-	80,638
Net assets released from restrictions	267,311	(267,311)	-
Total support	3,179,585	56,615	3,236,200
Revenue			
Merchandise sales, net	18,053	-	18,053
Net realized gain on investments	1,022	-	1,022
Total revenue	19,075	-	19,075
Total support and revenue	3,198,660	56,615	3,255,275
Functional Expenses			
Program services	2,643,620	-	2,643,620
Supporting services			
General and administrative	175,725	-	175,725
Fundraising	381,518	-	381,518
Total functional expenses	3,200,863	-	3,200,863
Change in Net Assets	(2,203)	56,615	54,412
Net Assets, Beginning of Year	144,244	68,264	212,508
Net Assets, End of Year	$ 142,041	$ 124,879	$ 266,920

Partners Relief & Development

Statement of Functional Expenses

Year ended December 31, 2017

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Total
Salaries and wages	$ 528,350	$ 83,969	$ 210,492	$ 822,811
Payroll taxes	34,552	5,399	14,037	53,988
Total personnel costs	562,902	89,368	224,529	876,799
Program expenses	1,951,888	-	-	1,951,888
Technology and communications	74,931	23,037	77,070	175,038
Travel and meals	28,068	7,954	48,995	85,017
Legal and professional fees	25,831	8,863	490	35,184
Printing and postage	-	596	26,037	26,633
Office expenses	-	11,661	-	11,661
Bank and credit card fees	-	9,912	-	9,912
Miscellaneous expenses	-	5,976	-	5,976
Meetings	-	4,896	-	4,896
Occupancy	-	4,400	-	4,400
Marketing	-	-	4,397	4,397
Depreciation	-	3,744	-	3,744
Insurance	-	3,013	-	3,013
Training and education	-	2,305	-	2,305
Total expenses	$ 2,643,620	$ 175,725	$ 381,518	$ 3,200,863

The accompanying Notes are an integral part of these financial statements

Partners Relief & Development

Statement of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Year ended December 31, 2017

Cash Flows From Operating Activities	
Change in net assets	**$ 54,412**
Adjustments to reconcile change in net assets	
to net cash provided by operating activities	
Depreciation	**3,744**
Net realized gains on investments	**(1,022)**
Increase (decrease) from changes in assets and liabilities	
Contributions receivable	**(8,974)**
Inventories	**392**
Other current assets	**(2,043)**
Accounts and grants payable	**269,667**
Accrued compensation and benefits	**2,040**
Net cash provided by operating activities	**318,216**
Cash Flows From Investing Activities	
Net proceeds from sale of investments	**8,339**
Net cash provided by investing activities	**8,339**
Net Increase in Cash and Cash Equivalents	**326,555**
Cash and Cash Equivalents, Beginning of Year	**258,945**
Cash and Cash Equivalents, End of Year	**$ 585,500**

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization. Partners Relief & Development (the Organization) is a Nevada non-profit corporation established in 2001 to provide direct care to Burmese orphans and refugees living in refugee camps located along the Thai-Burma border. The Organization's work spans the following key areas: nutrition; education; health; shelter and emergency relief. The Organization's revenues and other support are derived principally from charitable contributions from interested parties.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Accounting. The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Net Asset Classification. The Organization has adopted accounting standards which require that the organization distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. These standards require that resources be classified for reporting purposes into three net asset categories according to externally (donor) imposed restrictions. The three net asset categories are as follows:

Unrestricted net assets. Net assets not subject to donor-imposed stipulations.

Temporarily restricted net assets. Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. Once the stipulation is met, the assets are released from restriction and the expenditure is recorded in the activities of unrestricted net assets.

Permanently restricted net assets. Permanently restricted net assets are subject to donor-imposed stipulations that require the donated assets to be maintained in perpetuity. The Organization does not currently have any permanently restricted net assets.

Cash and Cash Equivalents. The Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Investments. The Organization's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization's management determines the valuation policies utilizing information provided by the investment advisors and custodians.

Unrealized gains and losses are included in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Fair Value Measurements. The Organization reports using fair value measurements, which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization values debt and equity securities with readily determinable market values at fair value as determined by quoted market prices on national securities exchanges valued at the closing price on the last business day of the fiscal year. Securities traded on the over-the-counter market are valued at the last reported bid price.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodology used at December 31, 2017.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statement of financial position.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Contributions Receivable. Unconditional promises to give are recognized as revenue in the period received. Contributions receivable are recorded at the amount the Organization expects to receive, allowing for estimated uncollectible contributions. The allowance for uncollectible contributions is estimated based on management's review of specific contributions outstanding. As of December 31, 2017, management believes all contributions receivable are fully collectible, and accordingly, no allowance for doubtful accounts has been recorded. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Inventories. Inventories consist of clothing and other accessories sold at conferences, and is stated at the lower of cost (first-in, first-out method) or market.

Equipment. It is the Organization's policy to capitalize equipment at cost for purchases over $2,500, while repair and maintenance items are charged to expense. Donations of equipment are capitalized at their estimated fair value at the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Equipment is depreciated using straight-line methods over the estimated useful lives of the assets, which is generally five years for equipment and software. Depreciation expense totaled $3,744 for the year ended December 31, 2017. Amortization of software is included in depreciation expense.

Impairment of Long-Lived Assets. In the event that facts and circumstances indicate that equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the year ended December 31, 2017.

Contributions. Contributions are recognized when the donation is received. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions and grants that are restricted by the donor or grantor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributed Services. Contributed services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services totaled $80,638 for the year ended December 31, 2017. Certain other volunteer services are not recorded in these financial statements as they do not meet the criteria for recognition.

Functional Allocation of Expenses. Direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Income Taxes. The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

Subsequent Events. The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through June 18, 2018, the date at which the financial statements were available for release.

Note 2 - Fair Value Measurement

The following table summarizes the Organization's fair value of assets measured on a recurring basis by fair value hierarchy as of December 31, 2017:

	Level 1	Level 2	Level 3	Total
Debt and equity securities				
U.S. Equities	$ 242	$ -	$ -	$ 242

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2017, there were no significant transfers in or out of fair value levels.

Net investment earnings consisted of the following for the year ended December 31, 2017:

Net realized gain on investments	$ 1,022

Note 3 - Temporarily Restricted Net Assets

The following summarizes the changes in net assets temporarily restricted:

	Middle East Fund	Missionary Support	Timing	Total
Balance, January 1, 2017	$ 12,545	$ 55,719	$ -	$ 68,264
Additions	258,790	55,136	10,000	323,926
Releases	(187,908)	(79,403)	-	(267,311)
Balance, December 31, 2017	$ 83,427	$ 31,452	$ 10,000	$ 124,879

Note 4 - Operating Lease

The Organization leased office space under a month-to-month operating lease. The lease requires monthly minimum payments of $400. Rent expense under the lease totaled $4,400 for the year ended December 31, 2017.

Note 5 – Retirement Plan and Subsequent Event

In January 2018, the Organization began to participate in a defined contribution retirement plan. The Organization will provide a discretionary matching contribution to the plan equal to a uniform percentage or dollar amount of each employee's elective deferral. The Organization will determine the formula for the discretionary matching contribution annually.

Note 6 – Concentrations of Credit Risk

Bank Deposits. The Organization maintains cash balances in excess of federally insured limits at certain times of the year.

Major Donor. The Organization had a single donor that comprised 16% of total revenues for the year ended December 31, 2017.