

FOOD FOR THE POOR OF CANADA, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

FOOD FOR THE POOR OF CANADA, INC.

Report on the Financial Statements

We have audited the accompanying financial statements of **FOOD FOR THE POOR OF CANADA, INC.** which comprise the Statement Of Financial Position as at December 31, 2014, and the Statements Of Operations And 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 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.

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 organization'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 organization'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 **FOOD FOR THE POOR OF CANADA, INC.** as at December 31, 2014, and its financial performance for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Parker Prins Lebano Chartered Accountants Professional Corporation
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Toronto, Ontario
February 27, 2015

FOOD FOR THE POOR OF CANADA, INC.

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT		
Cash	\$ 164,210	\$ 116,193
Accounts receivable	-	5,000
GST/HST recoverable	<u>1,480</u>	<u>3,121</u>
	<u>\$ 165,690</u>	<u>\$ 124,314</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued charges	\$ 52,890	\$ 4,784
Deferred contributions	<u>96,370</u>	<u>96,375</u>
	<u>149,260</u>	<u>101,159</u>
NET ASSETS		
Unrestricted net assets	<u>16,430</u>	<u>23,155</u>
	<u>\$ 165,690</u>	<u>\$ 124,314</u>

APPROVED BY THE BOARD OF DIRECTORS

_____ Director

_____ Director

FOOD FOR THE POOR OF CANADA, INC.

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
REVENUE		
Donations	\$ 389,472	\$ 423,772
Grants from international aid agency (note 3)	60,000	60,000
Contributions of medical aid, educational and food supplies	2,029,243	3,114,346
Events	<u>2,531</u>	<u>-</u>
	<u>2,481,246</u>	<u>3,598,118</u>
EXPENSES		
Administrative and Fundraising		
Administrative support	9,588	2,415
Bank and credit card fees	917	778
Directors and officers insurance	837	837
Fundraising (note 4)	28,865	-
Office and general	8,754	18,054
Professional fees	3,797	10,930
Salary (note 4)	<u>20,252</u>	<u>36,627</u>
	<u>73,010</u>	<u>69,641</u>
Program		
Donations to HPIC	14,500	10,000
Project funds to partners	297,451	329,985
Medical aid, educational and food supplies delivered	2,029,243	3,114,346
Salary (note 4)	40,503	36,627
Shipping	28,822	28,416
Travel	<u>4,442</u>	<u>3,126</u>
	<u>2,414,961</u>	<u>3,522,500</u>
	<u>2,487,971</u>	<u>3,592,141</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	(6,725)	5,977
NET ASSETS, BEGINNING OF YEAR	<u>23,155</u>	<u>17,178</u>
NET ASSETS, END OF YEAR	<u>\$ 16,430</u>	<u>\$ 23,155</u>

FOOD FOR THE POOR OF CANADA, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
CASH FLOWS (USED FOR) FROM OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenses	\$ (6,725)	\$ 5,977
Net changes in non-cash items related to operations:		
Accounts receivable	5,000	(5,000)
GST/HST recoverable	1,641	57
Accounts payable and accrued charges	48,106	153
Deferred revenue	<u>(5)</u>	<u>83,444</u>
INCREASE IN CASH	48,017	84,631
CASH, BEGINNING OF YEAR	<u>116,193</u>	<u>31,562</u>
CASH, END OF YEAR	<u><u>\$ 164,210</u></u>	<u><u>\$ 116,193</u></u>

FOOD FOR THE POOR OF CANADA, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

1. PURPOSE OF THE ORGANIZATION AND INCOME TAX STATUS

Food for the Poor of Canada, Inc. ("FPC") was incorporated under the laws of Canada on January 8, 1991 and is registered as a charitable organization under the Income Tax Act (Canada). As such, it is exempt from income tax and may issue charitable tax receipts.

The organization is an interdenominational, Christian charity whose purpose is to alleviate poverty and offer hope and change to those in need in the Caribbean and Latin America. FPC works alongside an international relief and development agency in the United States and with established partners and charities in the region to distribute goods to churches and missionaries, hospitals, schools and community leaders that work directly with the poor. They also oversee and manage the construction of homes, water wells, schools, clinics and other funded projects.

2. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the results of operations in the period in which they become known.

Revenue Recognition

FPC follows the deferral method of accounting for contributions. Contributions are recognized as received or receivable if the amount to be collected can be reasonably estimated and collection is assured. Restricted contributions, such as donations made for specific projects, are recognized as revenues in the year in which the related expenses are incurred or activity takes place.

Donated Medical Aid and Education and Food Supplies

FPC receives medicines, vaccines, and medical supplies from a registered Canadian charity. These items are distributed free of charge by the organization to people in need in the Caribbean and Latin America.

These donated supplies are recognized in the statement of operations and changes in net assets as contributions and expenses, based on the fair value of such supplies, as determined by donor organizations.

Volunteer Services

Much of the work of FPC is dependent on voluntary services. Since these services are not normally purchased, and because of the difficulty in determining their fair value, such donated services are not recognized in the accounts.

The organization does not compensate members of the board of directors. Because of the difficulty in determining their fair value, such donated services are also not recognized in the accounts.

FOOD FOR THE POOR OF CANADA, INC.

NOTES TO FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2014

3. RELATED PARTY

Food For The Poor, Inc., a US-based organization is related to FPC as certain officers of the organization are also directors of FPC. During the year, FPC received a total of \$60,000 in grants from Food For The Poor, Inc.

4. SALARY

50% of the salary expense of the Executive Director has been allocated to Program Expenses and 25% has been allocated to fundraising, with the remaining 25% being recognized as an administrative expense.

5. COMPARATIVE FIGURES

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.