

Food For The Poor of Canada, Inc.

Financial Statements

December 31, 2016

Food For The Poor of Canada, Inc.

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Independent Auditor's Report

To the Directors of
Food For The Poor of Canada, Inc.

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, 2016, 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 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 Food For The Poor of Canada, Inc. as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations, which is one of the financial reporting frameworks included in Canadian generally accepted accounting principles.

Abrahamse Berkis Pinto LLP

Chartered Accountants, Licensed Public Accountants
March 25, 2017

1.

Food For The Poor of Canada, Inc.
(incorporated under the laws of Canada)

Statement of Financial Position
December 31

	2016	2015
Assets		
Current assets		
Cash	\$ 162,556	\$ 18,026
Donations receivable	20,447	6,145
GST/HST recoverable	14,975	8,597
	<u>\$ 197,978</u>	<u>\$ 32,768</u>
Liabilities		
Current liabilities		
Accounts payable and accrued charges	\$ 12,131	\$ 5,121
Deferred contributions	89,414	39,992
	<u>101,545</u>	<u>45,113</u>
Net Assets		
Unrestricted net assets	96,433	(12,345)
	<u>\$ 197,978</u>	<u>\$ 32,768</u>

See accompanying notes.

Approved by the Board

Director

Director

Food For The Poor of Canada, Inc.

Statement of Operations and Changes in Net Assets

For the year ended December 31

	2016	2015
Revenue		
Donations	\$ 716,703	\$ 701,692
Grant from an international aid agency (Note 3)	100,000	100,000
Contributions of medical aid, educational and food supplies	3,256,973	2,521,194
Events	-	5,550
	4,073,676	3,328,436
Expenses		
Administrative and fundraising		
Administrative support	7,695	6,660
Bank and credit card fees	963	938
Directors and officers insurance	794	858
Fundraising (Note 4)	66,939	38,650
Office and general	20,836	14,050
Professional fees	10,053	69,676
Salary (Note 4)	35,392	32,118
	142,672	162,950
Program		
Programming funds to HPIC	8,660	17,500
Project funds for education and housing initiatives	441,864	524,517
Medical aid, educational and food supplies delivered	3,256,973	2,521,194
Salaries (Note 4)	64,195	64,237
Shipping	39,710	56,171
Travel	3,801	12,261
	3,815,203	3,195,880
	3,957,875	3,358,830
Excess (deficiency) of revenue over expenses before other item	115,801	(30,394)
Other item		
Foreign exchange (loss) gain	(7,023)	1,619
Excess (deficiency) of revenue over expenses	108,778	(28,775)
Net assets, beginning of year	(12,345)	16,430
Net assets, end of year	\$ 96,433	\$ (12,345)

See accompanying notes.

Food For The Poor of Canada, Inc.

Statement of Cash Flows

For the year ended December 31

2016

2015

Cash flows from operating activities		
Excess (deficiency) of revenue over expenses	\$ 108,778	\$ (28,775)
Changes in non-cash items related to operations		
Accounts receivable	(14,302)	(6,145)
GST/HST recoverable	(6,378)	(7,117)
Accounts payable and accrued charges	7,010	(47,769)
Deferred contributions	49,422	(56,378)
Increase (decrease) in cash during the year	144,530	(146,184)
Cash, beginning of year	18,026	164,210
Cash, end of year	\$ 162,556	\$ 18,026

See accompanying notes.

Food For The Poor of Canada, Inc.

Notes to Financial Statements December 31, 2016

1. Nature of operations

Food for the Poor of Canada, Inc. ("FFPC") 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.

Food For The Poor Canada (FFPC) works across the Caribbean and Latin America, building strong and prosperous communities through basic aid and sustainable community development. Our community-led approach is important to us. We ask communities to tell us what their needs are and then we mobilize to help. The Canadian affiliate of Food For The Poor international, we empower communities through five areas of programming: food, housing, education, health and livelihood. We respond to urgent needs while building community and social infrastructure. Our goal is to create prosperous communities where children and their families have what they need to flourish. FFPC works with a strong network of partners. We work with government ministries and charitable partners, as well as churches and community leaders to distribute aid where it is needed the most, serving the poorest of the poor, and to strengthen infrastructure in high-needs communities. Leverage scale of other FFP affiliates.

2. Summary of 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

FFPC 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

FFPC receives medicines 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 FFPC using their valuation policy based on fair market value.

Volunteer Services

Because of the difficulty in determining their fair value, 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 December 31, 2016

3. Grant from an international aid agency

Food For The Poor, Inc., a US-based organization, is related to FFPC as certain Board members of the organization are also directors of FFPC. During the year, FFPC received a total of \$100,000 (2015 - \$100,000) in grants from Food For The Poor, Inc.

4. Salaries

50% of the salary expense of the Executive Director and 30% of the salary of the Administrator have been allocated to Program Expenses. 25% of the salary expense of the Executive Director and 50% of the salary of the Administrator have been allocated to Fundraising. The remainder has been recognized as an administrative expense.