
**FOOD FOR THE POOR OF
CANADA, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Food For The Poor of Canada Inc.
TORONTO
Ontario

Opinion

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, 2024 and the statement of operations and changes in net assets and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at December 31, 2024 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of Food For The Poor of Canada, Inc. for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 9, 2024 for the reasons described in the Basis for Opinion section.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Norton McMullen LLP

NORTON McMULLEN LLP

Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada

April 9, 2025

FOOD FOR THE POOR OF CANADA INC.**STATEMENT OF FINANCIAL POSITION**

As at December 31,

2024**2023**

ASSETS**Current**

Cash	\$	371,259	\$	252,031
HST recoverable		13,635		17,376
Prepaid expenses		<u>1,455</u>		<u>5,028</u>
	\$	<u>386,349</u>	\$	<u>274,435</u>

LIABILITIES**Current**

Accounts payable and accrued liabilities	\$	14,497	\$	7,240
Deferred contributions (Note 2)		<u>94,221</u>		<u>170,298</u>
	\$	<u>108,718</u>	\$	<u>177,538</u>

NET ASSETS

<u>277,631</u>	<u>96,897</u>
<u>\$ 386,349</u>	<u>\$ 274,435</u>

Approved by the Board:



Director

Director

See accompanying notes

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FOOD FOR THE POOR OF CANADA INC.**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

For the year ended December 31,	2024	2023
REVENUES		
Donation of funds (Note 2)	\$ 839,135	\$ 955,632
In-kind donations of medical aid, educational and food supplies	415,854	776,385
Grants from related parties (Note 3)	340,189	171,226
	<u>\$ 1,595,178</u>	<u>\$ 1,903,243</u>
EXPENSES		
Program		
Project funds for education, community development and housing (Note 5)	\$ 463,994	\$ 640,308
In-kind medical aid, educational and food supplies deliveries	415,854	776,385
Program salaries (Note 5)	88,441	93,614
Shipping	32,438	52,897
Program occupancy costs (Note 5)	8,321	6,207
Foreign exchange (gain) loss	5,742	(4,473)
Travel	3,965	3,683
Purchased food, building, health supplies and other	245	-
Programming funds towards medicine in partnership with HPIC	-	10,000
	<u>\$ 1,019,000</u>	<u>\$ 1,578,621</u>
Fundraising		
Fundraising salaries (Note 5)	\$ 117,922	\$ 92,006
Other	58,455	21,477
Events	22,199	19,827
Consulting	14,000	16,487
Fundraising occupancy costs (Note 5)	11,096	12,990
15th Anniversary campaign	-	94,381
	<u>\$ 223,672</u>	<u>\$ 257,168</u>
Administrative		
Administrative salaries (Note 5)	\$ 88,441	\$ 107,716
Professional fees	42,601	34,499
Office and general	32,409	32,015
Administrative occupancy costs (Note 5)	8,321	6,365
	<u>\$ 171,772</u>	<u>\$ 180,595</u>
	<u>\$ 1,414,444</u>	<u>\$ 2,016,384</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 180,734</u>	<u>\$ (113,141)</u>
NET ASSETS - Beginning	<u>96,897</u>	<u>210,038</u>
NET ASSETS - Ending	<u>\$ 277,631</u>	<u>\$ 96,897</u>

See accompanying notes

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FOOD FOR THE POOR OF CANADA INC.

STATEMENT OF CASH FLOWS

For the year ended December 31,

2024

2023

CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess (deficiency) of revenues over expenses	\$ 180,734	\$ (113,141)
Items not affecting cash:		
In-kind donations of medical aid, educational and food supplies	(415,854)	(776,385)
In-kind medical aid, educational and food supplies deliveries	<u>415,854</u>	<u>776,385</u>
	\$ 180,734	\$ (113,141)
Net change in non-cash working capital balances:		
Donations receivable	-	52,908
HST recoverable	3,741	(5,294)
Prepaid expenses	3,573	(1,305)
Accounts payable and accrued liabilities	7,257	(10,868)
Deferred contributions	<u>(76,077)</u>	<u>(61,061)</u>

INCREASE (DECREASE) IN CASH	\$ 119,228	\$ (138,761)
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CASH - Beginning	<u>252,031</u>	<u>390,792</u>
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CASH - Ending	<u><u>\$ 371,259</u></u>	<u><u>\$ 252,031</u></u>
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FOOD FOR THE POOR OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NATURE OF OPERATIONS

Food For The Poor of Canada, Inc. (the "Organization") works across the Caribbean and Latin America, building strong and prosperous communities through basic aid and sustainable community development. The Organization's community-led approach is important, as they ask communities to tell them what their needs are and then they mobilize to help. The Canadian affiliate of Food For The Poor International (FFTP) empowers communities through five areas of programming: food, housing, education, health, and livelihood. The Organization responds to urgent needs of communities by providing food, clean water, and access to healthcare and build social infrastructure such as homes, medical clinics, schools, income generating projects and community centers. The Organization's goal is to create sustainable and prosperous communities where children and their families have what they need to flourish. The Organization works with a strong network of partners including government ministries and charitable partners, as well as churches and community leaders to distribute food and medical aid where it is needed the most, serving the poorest of the poor, and strengthening infrastructure in high-need communities. The Organization leverages the scale and reach of other FFTP affiliates, and responds to hurricanes and other emergencies across the region, both in immediate disaster response and post-disaster in the form of rebuilding efforts.

The Organization was incorporated on January 8, 1991 under the Canada Corporations Act as an organization without share capital, and has since continued under the Canada Not-for-profit Corporation Act. The Organization is classified as a charitable organization under subsection 149.1(i) of the Income Tax Act (Canada) [the "Act"] and, therefore, is exempt from income tax providing that it complies with donation and certain other requirements of the Act.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used.

b) Cash and Cash Equivalents

Cash and cash equivalents consist solely of bank balances.

FOOD FOR THE POOR OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

c) Foreign Currency Translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities are translated at the year-end exchange rate, while non-monetary assets are translated at the exchange rate prevailing at the date of the transaction. Revenues and expenses are translated at the exchange rate prevailing at the date of the transaction.

d) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

e) Contributed Materials and Services

The Organization may recognize contributions of materials if the fair value can be reasonably estimated, the materials are used in the normal course of its operations and would otherwise have been purchased. The Organization utilizes a large amount of volunteer hours to support its programs and services. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

f) Financial Instruments

Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

The Organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

Impairment

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess (deficiency) of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

FOOD FOR THE POOR OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

g) Allocation of expenses

The Organization records some expenses by function: Program, Fundraising, and Administration. Salaries and occupancy costs are allocated by function based on percentage estimates as disclosed in Note 6.

2. DEFERRED CONTRIBUTIONS

Deferred contributions represent unexpended, externally-restricted contributions. The continuity of deferred contributions for ongoing projects that are incomplete and cross multiple years is as follows:

2024				
Country	Beginning balance	Contributions received	Contributions recognized as revenue	Ending balance
Jamaica	\$ 90,576	\$ 400,761	\$ (430,647)	\$ 60,690
Guyana	20,359	52,924	(40,524)	32,759
Honduras	49,659	35,050	(83,937)	772
Bahamas	6,000	-	(6,000)	-
Peru	3,704	-	(3,704)	-
	<u>\$ 170,298</u>	<u>\$ 488,735</u>	<u>\$ (564,812)</u>	<u>\$ 94,221</u>

2023				
Country	Beginning balance	Contributions received	Contributions recognized as revenue	Ending balance
Jamaica	\$ 130,804	\$ 410,050	\$ (450,278)	\$ 90,576
Honduras	26,587	159,663	(136,591)	49,659
Guyana	34,917	56,709	(71,267)	20,359
Bahamas	-	10,500	(4,500)	6,000
Peru	-	3,704	-	3,704
Haiti	21,109	-	(21,109)	-
Other	17,942	250	(18,192)	-
	<u>\$ 231,359</u>	<u>\$ 640,876</u>	<u>\$ (701,937)</u>	<u>\$ 170,298</u>

FOOD FOR THE POOR OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

3. RELATED PARTY TRANSACTIONS

The Organization operates under congruent objectives with Food For The Poor ("FFTP-US"), an established charitable organization in the United States. During the year, the Organization received a grant of \$340,189 (2023 - \$171,226) from FFTP-US for fundraising in 2023 and for operational support in 2024.

These transactions are in the normal course of operations and are measured at exchange amount, which is the amount of consideration established and agreed to by the related party.

4. PROJECT FUNDS FOR EDUCATION, COMMUNITY DEVELOPMENT, AND HOUSING

The Organization funds education, community development and housing initiatives according to its mandate either directly or indirectly. Indirect funding is provided through agency relationships with community organizations, international FFTP affiliates and others.

5. ALLOCATION OF SALARIES AND OCCUPANCY COSTS

Salaries have been allocated as follows:

	2024	2023
Programs	30.0%	31.9%
Fundraising	40.0%	31.4%
Administration	30.0%	36.7%

Occupancy costs have been allocated as follows:

	2024	2023
Programs	30.0%	24.3%
Fundraising	40.0%	50.8%
Administration	30.0%	24.9%

FOOD FOR THE POOR OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

6. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a summary of the Organization's exposure to and concentrations of risk at December 31, 2024.

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Organization is not exposed to significant credit risk and there has been no change in assessment of credit risk from the prior year.

b) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk with respect to its working capital requirements. The Organization manages this risk by managing its working capital and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the prior year.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and price risk. The Organization is mainly exposed to currency rate risk as follows:

i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is exposed to this risk through its U.S. dollar denominated activities. As at December 31, 2024, cash of \$26,066 (2023 - \$76,299) and deferred contributions of \$94,221 (2023 - \$124,305) are recorded in U.S. dollars and converted into Canadian dollars. Primarily all of the Organization's program expenses are incurred in U.S. dollars. As a measure of mitigating downside risk, the Organization converts a portion of the restricted Canadian dollar donations into U.S. dollars within 5 business days of receipt and retains the funds in U.S. dollars until expended.