

FOOD FOR THE POOR OF CANADA, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2010

Independent Auditors' Report

To the Directors of **Food for the Poor Canada, Inc.**

We have audited the accompanying financial statements of **Food for the Poor Canada, Inc.**, which comprise the balance sheet as at December 31, 2010, and the statement of operations and changes in net assets 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 generally accepted accounting principles, 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.

Auditors' 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 for 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 Canada, Inc. as at December 31, 2010, and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario

January 26, 2011

Marinucci & Company
Chartered Accountants
Licensed Public Accountants

FOOD FOR THE POOR OF CANADA, INC.
(A not-for-profit organization)

Balance Sheet as at December 31, 2010

	2010	2009
ASSETS		
Cash	<u>\$ 34,897</u>	<u>\$ 27,342</u>
	<u>\$ 34,897</u>	<u>\$ 27,342</u>
LIABILITIES		
Deferred contributions	<u>\$ 35,154</u>	<u>\$ -</u>
NET ASSETS		
Accumulated surplus (deficit)	<u>(257)</u>	<u>27,342</u>
	<u>\$ 34,897</u>	<u>\$ 27,342</u>

Approved by the Board _____ Director

_____ Director

See accompanying Notes to Financial Statements

FOOD FOR THE POOR OF CANADA, INC.
(A not-for-profit organization)

Statement of Operations and Changes in Net Assets

For the year ended December 31, 2010

	2010	2009
REVENUES		
Donations	\$ 143,429	\$ 42,292
Contributions – Food for the Poor Inc.	60,424	30,558
Contributions of medical aid and food supplies:		
- Health Partners International of Canada	1,448,961	3,371,955
- Other organizations	<u>84,366</u>	<u>-</u>
	<u>1,737,180</u>	<u>3,444,805</u>
EXPENSES		
Programs	174,836	24,866
Salaries	42,912	11,539
Professional fees	8,100	6,993
Bank fees and charges	240	288
Office and general	5,364	-
Medical aid and food supplies delivered	<u>1,533,327</u>	<u>3,371,955</u>
	<u>1,764,779</u>	<u>3,415,641</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(27,599)	29,164
ACCUMULATED SURPLUS (DEFICIT), beginning of year	<u>27,342</u>	<u>(1,822)</u>
ACCUMULATED SURPLUS (DEFICIT), end of year	<u>\$ (257)</u>	<u>\$ 27,342</u>

See accompanying Notes to Financial Statements

FOOD FOR THE POOR OF CANADA, INC.
(A not-for-profit organization)

Notes to Financial Statements

December 31, 2010

1. ORGANIZATION AND OPERATIONS

Food for the Poor of Canada, Inc. was incorporated under the laws of the Canada on January 8, 1991. The organization was registered as a charitable organization under the Income Tax Act (Canada) effective January 1, 1992 and, as such, is exempt from income taxes and may issue charitable donation 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. Food for the Poor of Canada Inc. works alongside Food for the Poor Inc. (USA), a large 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles.

Revenue recognition

The organization follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related activity takes place and expenses are incurred.

Donated medical aid and food supplies

Health Partners International of Canada ("HPI"), a registered charitable organization, provides medicines, vaccines and medical supplies donated to it by Canadian healthcare companies to the organization. These donations from HPI are distributed free of charge by the organization to people in need in the Caribbean and Latin America.

Other organizations contribute food supplies, such as milk powder, rice and beans.

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.

Statement of cash flows

A statement of cash flows has not been presented as it would not provide additional meaningful information.