
Financial statements of Canadian Feed The Children

December 31, 2024

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Independent Auditor's Report

To the Board of Directors of
Canadian Feed The Children

Opinion

We have audited the financial statements of Canadian Feed The Children ("CFTC"), which comprise the statement of financial position as at December 31, 2024, and the statements of income and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CFTC as at December 31, 2024, and the results of its operations, changes in fund balances, and 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 ("Canadian GAAS"). 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 CFTC in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 CFTC'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 CFTC or to cease operations, or has no realistic alternative but to do so.

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

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 GAAS 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 GAAS, 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 CFTC'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 CFTC'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 CFTC 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 23, 2025

Canadian Feed the Children
Statement of financial position
As at December 31, 2024

	Notes	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	3	1,303,814	2,192,610
Short-term investments	4	726,447	1,298,436
Accounts receivable and advances		651,901	718,453
Prepaid expenses		232,233	230,544
		2,914,395	4,440,043
Investments	4	1,821,451	1,736,673
Capital and intangible assets	5	110,725	157,982
		4,846,571	6,334,698
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		680,964	643,303
Deferred contributions	10	309,000	1,614,364
		989,964	2,257,667
Deferred tenant inducements	11	75,829	96,510
Deferred rent		37,026	43,677
		1,102,819	2,397,854
Commitments	7		
Net assets			
Internally restricted fund		2,314,926	2,153,260
Unrestricted fund		1,428,826	1,783,584
		3,743,752	3,936,844
		4,846,571	6,334,698

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Directors

Marion Mackenzie, Director

Tony Malfara, Director

Canadian Feed the Children
Statement of income and expenditures
Year ended December 31, 2024

	Notes	2024 \$	2023 \$
Income			
Contributions	6 and 13	7,947,330	7,950,469
Grants		1,089,900	1,041,135
Investment income		162,517	116,644
Change in fair value of investments		87,718	88,301
Other income		32,406	29,954
		9,319,871	9,226,503
Expenditures			
Programs	5 and 8	7,213,960	6,520,343
Fundraising	5 and 8	1,339,252	1,390,097
Administration	5 and 8	959,750	1,197,640
		9,512,962	9,108,080
(Deficiency) excess of income over expenditures for the year		(193,091)	118,423

The accompanying notes are an integral part of the financial statements.

Canadian Feed the Children
Statement of changes in net assets
Year ended December 31, 2024

	Notes	Unrestricted	Internally Restricted Fund	2024 Total	2023 Total
		\$	\$	\$	\$
Fund balances, beginning of year		1,783,584	2,153,260	3,936,844	3,818,421
Excess of income over expenditures for the year		(193,091)	—	(193,091)	118,423
Interfund transfers	9	(161,665)	161,665	—	—
Fund balances, end of year		1,428,828	2,314,925	3,743,753	3,936,844

The accompanying notes are an integral part of the financial statements.

Canadian Feed the Children**Statement of cash flows**

Year ended December 31, 2024

	2024	2023
	\$	\$
Operating activities		
(Deficiency) of income over expenditures for the year	(193,091)	118,423
Add (deduct): items not involving cash		
Amortization of capital assets	58,447	66,899
Change in tenant inducement	(20,681)	(20,681)
Change in fair value of investments	(87,718)	(88,301)
	(243,043)	76,340
Net change in non-cash working capital balances related to operations		
Accounts receivable and advances	66,552	93,092
Prepaid expenses	(1,689)	(49,711)
Accounts payable and accrued liabilities	37,661	3,342
Deferred rent	(6,651)	(4,928)
Deferred contributions	(1,305,364)	478,453
	(1,452,534)	596,588
Investing activities		
Net purchases of investments	574,928	(762,453)
Purchase of capital assets and intangible assets	(11,190)	(82,304)
	563,738	(844,757)
Change in cash and cash equivalents during the year	(888,796)	(248,169)
Cash and cash equivalents, beginning of year	2,192,610	2,440,779
Cash and cash equivalents, end of year	1,303,814	2,192,610

The accompanying notes are an integral part of the financial statements.

Canadian Feed The Children
Notes to the financial statements
 December 31, 2024

1. Purpose and nature of the organization

Canadian Feed The Children™ (CFTC or the Organization) is an international development and relief agency formed in 1986 and dedicated to:

- alleviating the impact of poverty on children and their families and communities;
- supporting initiatives that enable families and communities to effectively satisfy the basic needs of their children on a sustainable basis;
- raising the level of public awareness on issues related to child poverty; and
- advocating for the basic human rights of children.

The Organization's objectives are reached by working with both its own resources and in conjunction with local partners in Canada and in foreign countries. CFTC is a not-for-profit corporation incorporated under the Canada Corporations Act and is a registered charity designated as a charitable organization under the Income Tax Act (Canada) and is exempt from income taxes under paragraph 149(1)(f).

In January 2014, CFTC was granted continuance under the Canada Not-for-profit Corporations Act.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) applied within the framework of the accounting policies summarized below.

These financial statements include the following funds:

- **Internally Restricted Fund**
 The Internally Restricted Fund represents funds available for emergency, program enhancement or other purposes specified by the Board of Directors from time to time. Any use of these funds requires explicit approval by the Board of Directors.
- **Unrestricted Fund**
 The Unrestricted Fund reflects the general fundraising and investing for CFTC's program delivery, development and administrative activities. This fund reports on unrestricted resources available for immediate use.

Revenue recognition

CFTC follows the deferral method of accounting for contributions and grants. Under this method, restricted contributions and grants are deferred and recognized as revenue when the expenses are incurred. Unrestricted contributions and grants are recognized as received or receivable if the amount to be received is reasonably estimable and collection is reasonably assured.

Investment income is recorded on an accrual basis.

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, all highly liquid investments with original maturities of three months or less, and investments in longer-term guaranteed investment certificates that are cashable at any time.

Canadian Feed The Children
Notes to the financial statements
December 31, 2024

2. Summary of significant accounting policies (continued)

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Investments are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instrument at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized on a straight-line basis.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines whether there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value. Impairments are recognized through the use of an allowance account, with a corresponding charge in the statement of income and expenditures.

Investments

Investments are managed by a third party investment manager reporting directly to the Finance and Audit Committee established by the Board of Directors. The investments can consist of a mix of publicly traded short and long-term fixed income investments, guaranteed investment certificates and publicly traded equities. Investments are made in accordance with CFTC's investment policy. The principle of the investment policy is to preserve capital and obtain a conservative return on investments. Fixed income investments maturing within one year from the statement of financial position date are reflected as short-term investments. Although the Organization has the ability to liquidate its publicly traded equity investments at any given time, in substance management intends to hold onto these investments for a period greater than one year to earn investment income. As such, publicly traded equities have been classified as long-term investments.

Capital assets

Capital assets are presented at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment	3 years
Furniture and equipment	5 years
Vehicle	3 years
Leasehold improvements	over the term of the lease

Intangible assets

Intangible assets acquired individually or as part of a group of other assets are initially recognized and measured at cost. CFTC's intangible assets consist of computer software, which is amortized on a straight-line basis over three years from the date of acquisition. The estimated useful lives of intangible assets are reviewed annually.

Canadian Feed The Children
Notes to the financial statements
 December 31, 2024

2. Summary of significant accounting policies (continued)

Impairment of long-lived assets

An impairment charge is recognized for long-lived assets whenever an event or change in circumstance causes an asset's carrying value to exceed the total undiscounted cash flows expected from its use and eventual disposition. The impairment loss is calculated as the difference between the fair value of the assets and their carrying values.

Deferred contributions

Deferred contributions include funds received for specific uses for which the related expenditures have not been incurred.

Deferred tenant inducements

In fiscal 2015, CFTC entered into a five-year lease for its head office. Under that agreement, the landlord funded renovations to the space as tenant inducements. These tenant inducements are deferred and amortized on a straight-line basis over the term of the related lease. In March 2020, CFTC renewed this lease until August 2028.

Deferred rent

Under the Organization's head office lease, there are increases in base rent each year. The base rent cost over the full lease term, including free rent periods, has been determined and is amortized on a straight-line basis over the term of the related lease.

Allocation of expenses

CFTC works with local partners in Canada and internationally to provide food security, livelihoods, education, nutrition and health, and capacity building programs. The cost of each program includes personnel and other expenses that are directly related to providing the programs. Operating costs from functions such as administration, human resources, communications and marketing are allocated to programs, fundraising and administration based on specific activities and the level of benefit received by each function as follows:

- program related activities include the full allocation of direct program activities costs by country offices, partners and direct program staffing;
- donor, solicitation and fundraising related activities include the full allocation of direct costs for solicitation of funding and fundraising staff;
- communications, marketing and related costs are allocated based on the proportion of content applicable to the program, fundraising and administration activities; and

Other support costs are allocated based on staffing headcount or derived benefit while support staff is allocated based on the level of effort attributable to each job function.

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using year-end exchange rates. Income and expenditures are translated throughout the year at the prevailing exchange rate on the date of the transaction. Exchange gains and losses are recorded in the statement of income and expenditures.

Canadian Feed The Children
Notes to the financial statements
December 31, 2024

2. Summary of significant accounting policies (continued)

Volunteer service

The work of CFTC is accomplished by a significant contribution of voluntary services. The Organization does not record the value of volunteer services unless the fair value can be reasonably estimated. These services are received gratuitously; therefore, no value has been included in these financial statements as the fair value is not determinable.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make certain estimates and assumptions that may affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditures during the reporting period. Actual results could differ from those estimates. Estimates are used when accounting for amortization and allocating certain expenditures.

3. Cash and cash equivalents

As at December 31, 2024, the cash balance included \$25,830 (\$717,274 in 2023) received as government grant for the Sustainable Development, Human Rights, Inclusion and Equality (SHINE). This grant is restricted in use. The restrictions do not prevent use of this cash for current purposes but specify that it can be used for funding of the SHINE program only.

4. Investments

Investments consist of guaranteed investment certificates, government and corporate bonds, equity investments. The guaranteed investment certificates and bonds have various maturity dates, interest and coupon rates that range from 2.06% to 5.10% (2.06% to 5.10% in 2023). There were no impairments in fiscal years 2024 or 2023. The Organization chose to value all investments at fair value in both 2024 and 2023.

	2024	2023
	\$	\$
Short-term investments		
Guaranteed investment certificates, government and corporate bonds (i)	726,447	1,298,436
Long-term investments		
Guaranteed investment certificates, government and corporate bonds (ii)	1,423,725	1,313,394
Equities	397,726	423,279
	1,821,451	1,736,673
	2,547,898	3,035,109

- (i) Short-term guaranteed investments mature between February 14, 2025, and May 26, 2025 (May 3, 2024 and December 2, 2024 in 2023).
- (ii) Long-term guaranteed investments mature between June 02, 2026, and September 12, 2029 (February 14, 2025 and June 8, 2028 in 2023).

Canadian Feed The Children
Notes to the financial statements
December 31, 2024

5. Capital and intangible assets

Capital and intangible assets consist of the following:

	Cost	Accumulated amortization	2024 Net	2023 Net
	\$	\$	\$	\$
Computer, equipment	96,882	82,397	14,485	20,651
Leaseshold improvement	165,446	89,616	75,830	96,511
Vehicle	61,230	40,820	20,410	40,820
	323,558	212,833	110,725	157,982

Amortization of \$31,979 (\$33,387 in 2023) was included in programs expenditures, \$23,232 (\$30,672 in 2023) was included in administration expenditures and \$3,2365 (\$2,840 in 2023) was included in fundraising expenditures.

6. Contributions

Contributions are comprised of the following:

	2024	2023
	\$	\$
Child Sponsorship and Monthly Giving program	2,847,327	3,056,568
Major gifts – individuals, corporate, bequest and foundation	3,347,338	3,475,914
Other fundraising	1,752,665	1,417,988
	7,947,330	7,950,469

7. Commitments

CFTC is committed to payments for capital asset leases, leased premises and service contracts with varying terms. Aggregate annual payments are as follows:

	\$
2025	199,112
2026	184,017
2027	184,017
2028	124,409
2029	—
	691,555

CFTC has access to a revolving line of credit with the Canadian Imperial Bank of Commerce in the amount of \$300,000, which bears interest at the prime rate plus 1.5%. As at December 31, 2024, nil (nil in 2023) of this line was utilized. All assets of CFTC are pledged as security, except for assets held within the Internally Restricted Fund.

Canadian Feed The Children
Notes to the financial statements
December 31, 2024

8. Allocation of expenses

As described in Note 2, marketing, education, communication marketing and other support costs have been allocated as follows:

	Programs	Fundraising	Administration	2024 Total
	\$	\$	\$	\$
Program related activities	5,470,980	—	—	5,470,980
Donor relations, solicitation and fundraising activities	—	801,080	—	801,080
Communications and marketing	322,414	358,367	39,527	720,308
other support costs	1,420,566	179,805	920,223	2,520,594
	7,213,960	1,339,252	959,750	9,512,962

	Programs	Fundraising	Administration	2023 Total
	\$	\$	\$	\$
Program related activities	4,848,810	—	—	4,848,810
Donor relations, solicitation and fundraising activities	—	1,095,920	—	1,095,920
Communications and marketing	205,201	209,651	14,762	429,614
other support costs	1,466,332	84,526	1,182,878	2,733,736
	6,520,343	1,390,097	1,197,640	9,108,080

9. Interfund transfers

The Board of Directors approved the transfer of funds between the Unrestricted and Internally Restricted Funds. These transfers are to recognize the gain on internally restricted funds to investment accounts, for purposes of reinvestment.

10. Deferred contributions

	2024	2023
	\$	\$
Balance, beginning of year	1,614,364	1,135,911
Additional contributions received	1,501,351	2,826,685
Amounts recognized as revenue	(2,806,714)	(2,348,232)
Balance, end of year	309,001	1,614,364

11. Deferred tenant inducements

	2024	2023
	\$	\$
Deferred tenant inducements – net of accumulated amortization of \$89,616 (\$68,936 in 2023)	75,829	96,510

Canadian Feed The Children
Notes to the financial statements
 December 31, 2024

12. Financial risk management

Liquidity risk

Liquidity risk is the risk the Organization will not be able to meet its financial obligations when they come due. Sufficient liquidity is maintained by regular monitoring of cash flow requirements. CFTC believes it has low liquidity risk given the composition of its accounts payable and accrued liabilities and the fact that CFTC holds a large amount of cash and investments.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income investments held by CFTC. The Organization manages this risk by investing in highly rated and widely traded bonds and through diversification of its investment portfolio. The Organization further reduced its exposure to interest rate risk by adding equity investments to its investment portfolio.

Market risk

Market risk arises as a result of fluctuations in the marketplace, which affect trading values of equity securities and bonds. CFTC's equity investments are subject to market risk, which includes price risk arising from market volatility and the risk of loss of capital associated with those investments. CFTC mitigates this risk through its investment policies and by monitoring its asset mix of the portfolio against the set targets.

Credit risk

Credit risk is the risk one party of a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. CFTC is exposed to credit risk associated with its holdings of cash and investments in its portfolio with various financial institutions and accounts receivable. To mitigate this risk, CFTC places the majority of its cash and investments in securities of federal or provincial governments, chartered banks, major trust companies or high-quality corporate bonds. CFTC's credit risk is considered to be low.

Foreign exchange risk

CFTC delivers its foreign programming through local non-governmental organizations and is exposed to exchange fluctuations. Foreign currency risk for CFTC arises from gains or losses due to fluctuations in foreign currency exchange rates on foreign investments and programming operations. Some financial instruments held as investments are denominated in foreign currencies. As a result, the Organization's investment balance may vary due to currency changes. CFTC implicitly manages its foreign currency risk through its operations.

13. Related party transactions

Related parties of the Organization are considered to be board members, the senior management team and the staff of CFTC who have a direct impact on the daily operations of the Organization. During the year, \$12,580 (\$28,760 in 2023) of donations was received from related parties. In addition, nil (nil in 2023) of additional donations was received from organizations that employ individuals related to CFTC. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and are in the normal course of operations.

Canadian Feed The Children
Notes to the financial statements
December 31, 2024

14. Registered pension plan

The Organization maintains a defined contribution pension plan for its employees. During the year, the Organization made required matching contributions under this plan of \$124,064 (\$94,436 in 2023).

15. Subsequent event

Effective May 8th Canadian Feed The Children has undergone a name and brand change. The organization will operate under the name and brand of Kinvia.