

*Financial Statements of*

**CANADIAN FOODGRAINS BANK  
ASSOCIATION INC.**

*March 31, 2026*

## Independent Auditor's Report

To the Members of  
Canadian Foodgrains Bank Association Inc.

### Opinion

We have audited the financial statements of Canadian Foodgrains Bank Association Inc. (the "Association"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, 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 the Association as at March 31, 2026, 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 ("ASNPO").

### 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 the Association 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 ASNPO, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 the Association'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 Association'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 Association 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.

*Deloitte LLP*

Chartered Professional Accountants  
June 10, 2026  
Winnipeg, Manitoba

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# CANADIAN FOODGRAINS BANK ASSOCIATION INC

## Statement of Operations

Year ended March 31, 2026

	<u>2026</u>	<u>2025</u>
<b>REVENUES</b>		
Cash and other donations	\$ 20,815,367	\$ 19,707,632
Transfers from members	8,763,060	9,614,072
Global Affairs Canada (GAC)		
Institutional support 2021 - 2024	-	2,737,789
Institutional support 2024 - 2028	25,237,790	21,393,445
Hunger crisis response	-	578,356
Nature positive food systems	10,016,168	13,606,203
Sudan crisis - food assistance	2,692,554	1,323,643
Other Grants		
Humanitarian Coalition	1,232,447	1,838,234
Norwegian development fund grant (SCASI)	984,237	1,199,697
Foundation grants	636,652	814,156
Membership fees	90,000	90,000
Investment income (Note 11)	2,098,908	2,414,722
Other	98,504	217,859
	<u>72,665,687</u>	<u>75,535,808</u>
<b>EXPENSES</b>		
Direct program expenses		
Food assistance	32,103,243	31,759,210
Nutrition	2,560,643	3,515,090
Agriculture and livelihoods	25,637,579	28,006,122
Other	1,988,163	2,156,106
	<u>62,289,628</u>	<u>65,436,528</u>
Indirect program expenses (Note 14)		
International program management (Sch 2)	3,478,719	3,433,133
Public policy (Sch 3)	920,981	988,345
Public engagement (Sch 4)	387,829	380,268
Resource gathering and communications (Sch 5)	2,612,752	2,403,225
Administration (Sch 6)	2,837,788	2,517,098
	<u>10,238,069</u>	<u>9,722,069</u>
	<u>72,527,697</u>	<u>75,158,597</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>137,990</b>	<b>377,211</b>
<b>OTHER INCOME (EXPENSES)</b>		
Unrealized (loss) gain on investments	(42,114)	64,860
Unrealized gain (loss) on derivatives	44,682	(44,682)
Foreign exchange gain	113,573	95,887
(Loss) gain on disposal of capital assets	(6,460)	576
	<u>109,681</u>	<u>116,641</u>
<b>OPERATING SURPLUS</b>	<b>\$ 247,671</b>	<b>\$ 493,852</b>

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

# CANADIAN FOODGRAINS BANK ASSOCIATION INC.

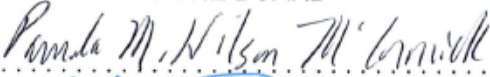
## Statement of Financial Position

March 31, 2026

	2026	2025
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 43,472,583	\$ 49,089,550
Accounts receivable	135,706	564,440
Prepaid expenses	489,398	228,444
	<b>44,097,687</b>	49,882,434
LAND (Note 5)	2,797,620	2,797,620
INVESTMENTS (Note 4)	23,453,394	26,874,235
CAPITAL ASSETS (Note 6)	265,246	122,120
	<b>\$ 70,613,947</b>	<b>\$ 79,676,409</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 4,140,173	\$ 7,917,548
Derivatives liabilities (Note 13)	-	44,682
Deferred contributions (Note 8)	10,750,241	16,238,317
	<b>14,890,414</b>	24,200,547
COMMITMENTS (Note 9)		
NET ASSETS		
Internally restricted (Note 10)		
Member funds	31,009,033	32,596,657
Shared Fund	10,318,645	8,331,883
Food security fund	-	164,316
Climate adaptation fund	134,902	114,571
Strategic reserve	2,636,233	2,789,416
Land reserves	2,797,620	2,797,620
	<b>46,896,433</b>	46,794,463
Invested in capital assets	265,246	122,120
Unrestricted operating reserve	8,561,854	8,559,279
	<b>55,723,533</b>	55,475,862
	<b>\$ 70,613,947</b>	<b>\$ 79,676,409</b>

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

APPROVED BY THE BOARD

 Director

 Director

**CANADIAN FOODGRAINS BANK ASSOCIATION INC.**

**Statement of Changes in Net Assets**

**Year ended March 31, 2026**

Year ended March 31, 2026	Internally restricted (Note 10)							Invested in Capital Assets	Unrestricted Operating Reserve	2026 Total
	Member Funds	Shared Fund	Food Security Fund	Climate Adaptation Fund	Strategic Reserve	Land Reserves	Total			
Balance, beginning of year	\$ 32,596,657	\$ 8,331,883	\$ 164,316	\$ 114,571	\$ 2,789,416	\$ 2,797,620	\$ 46,794,463	\$ 122,120	\$ 8,559,279	\$ 55,475,862
Operating surplus (deficit)	(8,014,947)	11,895,369	-	21,708	-	-	3,902,130	-	(3,654,459)	247,671
Fund transfers:										
Member equity transfers	6,263,007	(9,908,607)	-	(1,377)	(153,183)	-	(3,800,160)	143,126	3,657,034	-
Food security transfers	164,316	-	(164,316)	-	-	-	-	-	-	-
Balance, end of year	\$ 31,009,033	\$ 10,318,645	\$ -	\$ 134,902	\$ 2,636,233	\$ 2,797,620	\$ 46,896,433	\$ 265,246	\$ 8,561,854	\$ 55,723,533

Year ended March 31, 2025	Internally restricted (Note 10)							Invested in Capital Assets	Unrestricted Operating Reserve	2025 Total
	Member Funds	General Fund	Food Security Fund	Climate Adaptation Fund	Strategic Reserve	Land Reserves	Total			
Balance, beginning of year	\$ 33,269,913	\$ 7,218,919	\$ 124,448	\$ 84,808	\$ 2,789,416	\$ 2,797,620	\$ 46,285,124	\$ 157,788	\$ 8,539,098	\$ 54,982,010
Operating surplus (deficit)	(8,491,132)	11,416,018	-	31,642	-	-	2,956,528	-	(2,462,676)	493,852
Fund transfers:										
Member equity transfers	7,857,744	(10,303,054)	-	(1,879)	-	-	(2,447,189)	(35,668)	2,482,857	-
Food security transfers	(39,868)	-	39,868	-	-	-	-	-	-	-
Balance, end of year	\$ 32,596,657	\$ 8,331,883	\$ 164,316	\$ 114,571	\$ 2,789,416	\$ 2,797,620	\$ 46,794,463	\$ 122,120	\$ 8,559,279	\$ 55,475,862

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

**CANADIAN FOODGRAINS BANK ASSOCIATION INC.**  
**Statement of Cash Flows**  
**Year ended March 31, 2026**

	<u>2026</u>	<u>2025</u>
<b>OPERATING ACTIVITIES</b>		
Operating surplus	\$ 247,671	\$ 493,852
Items not affecting cash		
Amortization of capital assets	54,073	76,540
Loss (gain) on disposal of capital assets	6,460	(576)
Unrealized loss (gain) on investments	42,114	(64,860)
Unrealized (gain) loss on derivatives	(44,682)	44,682
Recognition of deferred contributions	(40,799,848)	(43,491,523)
	<b>(40,494,212)</b>	<b>(42,941,885)</b>
Changes in non-cash operating working capital items		
Accounts receivable	428,734	(122,466)
Prepaid expenses	(260,954)	(31,167)
Accounts payable and accrued liabilities	(3,777,375)	20,555
Deferred contributions received	35,311,772	43,524,204
	<b>(8,792,035)</b>	<b>449,241</b>
<b>INVESTING ACTIVITIES</b>		
Maturity of investments	8,717,322	5,835,309
Purchase of investments	(5,338,596)	(13,418,128)
Proceeds on disposal of capital assets	7,249	1,665
Purchase of capital assets	(210,907)	(41,961)
	<b>3,175,068</b>	<b>(7,623,115)</b>
<b>NET DECREASE IN CASH POSITION</b>	<b>(5,616,967)</b>	<b>(7,173,874)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>49,089,550</b>	<b>56,263,424</b>
<b>CASH, END OF YEAR</b>	<b>\$ 43,472,583</b>	<b>\$ 49,089,550</b>

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

# CANADIAN FOODGRAINS BANK ASSOCIATION INC.

## Notes to the Financial Statements

March 31, 2026

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### 1. NATURE OF BUSINESS

The Canadian Foodgrains Bank Association Inc. (the “Association”) is a not-for-profit organization without share capital, incorporated under the laws of Canada and is registered with Canada Revenue Agency as a charitable organization under registration number 11883 1106 RR0001. The Association’s principal activity is providing resources for relief and development activities in developing countries.

### 2. OPERATIONS

The Association has operated its program for a number of years with a series of grant agreements with Global Affairs Canada (“GAC”), the terms usually varying between one and five years. The Association signed an institutional support agreement in June 2024 for a period of 4 years totaling \$100 million. This grant is scheduled to expire on March 31, 2028.

In January 2022, the Association entered into a grant agreement for NOK \$29.7 million equivalent to \$3.7 million CAD with the Norwegian Agency for Development Fund for Scaling Conservation Agriculture-based Sustainable Intensification in Ethiopia (SCASI). The project was implemented over 3 years and expired on December 31, 2025.

In March 2023, the Association received a new GAC agreement for \$35.6 million to support Nature Positive Food Systems for Climate Change Adaptation. The objective is to reduce the vulnerability to climate change and enhance climate resilient livelihoods in targeted landscapes of East and Southern Africa. This agreement expired on March 31, 2026 and the Organization received a no cost extension to December 31, 2026.

In January 2025, the Association renewed a new GAC agreement for \$4 million to address the immediate Food needs of conflict affected communities in Sudan. The grant expired on November 30, 2025.

In March 2026, the Association entered into a new contribution agreement with GAC for the Disaster Resilient and Climate Adaptive Food Systems (DRCAFS) project to be implemented in the Philippines, with total funding of up to \$9 million. This grant is scheduled to expire on March 31, 2033.

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

*a) Revenue recognition*

The Association follows the deferral method of accounting for contributions.

**CANADIAN FOODGRAINS BANK ASSOCIATION INC.**  
**Notes to the Financial Statements**  
**March 31, 2026**

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

*a) Revenue recognition (continued)*

Cash and other donations are recorded as they are received. These amounts include donations received directly from contributors and donations received by the member organizations and forwarded to the Association.

GAC grant revenue is recorded on an accrual basis, subject to matching terms set out in the agreements. GAC advances received in excess of GAC eligible expenses are recorded as deferred contributions and recognized in the period that the associated costs are incurred.

Foundation grant revenue is recorded on an accrual basis. Foundation grants received in excess of the foundation grant expenses are recorded as deferred contributions and recognized in the period that the associated costs are incurred.

*b) Financial instruments*

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the Association becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Association is in the capacity of management, are initially recognized at cost.

All financial instruments are subsequently measured at amortized cost except for:

- Investments in listed shares which are measured at fair value at the year end date. The fair value of listed equity investments are based on the latest closing price with changes in fair value being recognized in the Statement of Operations.
- Derivative financial instruments that are not designated in a qualifying hedging relationship, which are measured at fair value at the year end date. The fair value quote received from the bank counterparty is used as a proxy for the fair value of derivative financial instruments. Unrealized gains and losses on derivative instruments, and realized gains and losses on settlement of derivative instruments are included in the Statement of Operations.

Transaction costs related to financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in the excess of revenue over expenditures as interest income or expense.

**CANADIAN FOODGRAINS BANK ASSOCIATION INC.**  
**Notes to the Financial Statements**  
**March 31, 2026**

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

*b) Financial instruments (continued)*

With respect to financial assets measured at cost or amortized cost, the Association recognizes an impairment loss, if any, in net earnings when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

*c) Capital assets*

Capital assets are originally recorded at cost and are amortized on the following basis:

Leasehold improvements	Straight-line basis over lease term
Computers	25% Straight-line basis
Furniture and fixtures	10% Straight-line basis
Equipment	20% Straight-line basis
Computer software	100% Straight-line basis

*d) Land*

The Association is registered as a title holder of all gifted land. All land received is recorded at its estimated fair value. This estimation of fair value includes a discount, where applicable, to reflect conditions and caveats on any given land title.

*e) Reallocation of net assets*

Various amounts of net assets are transferred between member accounts and other equity accounts in accordance with Board approved policy.

*f) Foreign currency translation*

Monetary assets and liabilities in foreign currencies have been translated into Canadian dollars at the rate in effect at the balance sheet date with any gain or loss included in income for the year. Revenues and expenses have been translated at the rate in effect on the date of the transaction.

*g) 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 that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from those estimates.

**CANADIAN FOODGRAINS BANK ASSOCIATION INC.**  
**Notes to the Financial Statements**  
**March 31, 2026**

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**4. INVESTMENTS**

	<u>2026</u>	<u>2025</u>
Cash	\$ 134,706	\$ 162,371
Debt instruments, recorded at amortized cost		
Guaranteed investment certificates	12,222,916	17,348,503
Fixed rate notes	3,432,555	1,036,665
Preferred shares	400,000	-
Equity instruments, recorded at fair value		
Equities	2,403,210	2,274,639
Mutual funds	3,568,132	5,001,242
Alternative investments	1,291,875	1,050,815
	<u>\$ 23,453,394</u>	<u>\$ 26,874,235</u>

**5. LAND**

The Association holds several parcels of farmland. A number of parcels are held as joint title until certain conditions are met at which time the Association will become the sole title holder.

**6. CAPITAL ASSETS**

	<u>2026</u>			<u>2025</u>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Leasehold improvements	\$ 51,640	\$ -	\$ 51,640	\$ 5,361
Computers	210,380	136,618	73,762	72,482
Furniture and fixtures	145,603	38,217	107,386	19,671
Equipment	117,608	85,150	32,458	24,606
Computer software	647,045	647,045	-	-
	<u>1,172,276</u>	<u>907,030</u>	<u>265,246</u>	<u>122,120</u>

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2026</u>	<u>2025</u>
Trade accounts payable	\$ 186,307	\$ 404,526
Other accounts payable and accrued liabilities	3,953,866	7,513,022
	<u>4,140,173</u>	<u>7,917,548</u>

Other accounts payable and accrued liabilities includes \$70,659 (2025 - \$38,949) of deposits held in trust for other food security agencies.

**CANADIAN FOODGRAINS BANK ASSOCIATION INC.**  
**Notes to the Financial Statements**  
**March 31, 2026**

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**8. DEFERRED CONTRIBUTIONS**

Deferred contributions are comprised of grant amounts received for which project costs have not been allocated against. Deferred amounts as at March 31 are comprised of the following:

	<u>2026</u>	<u>2025</u>
GAC programs		
Institutional support 2024 – 2028 grant	\$ 4,362,754	\$ 4,155,837
Nature positive food systems	3,991,141	10,255,818
Sudan crisis - food assistance	-	685,806
Disaster resilient and climate adaptive food system	1,800,000	-
Humanitarian Coalition grant	296,203	832,000
Norwegian development fund grant (SCASI)	2,238	15,616
Packard Foundation grant	-	103,407
Gates Foundation grant	297,905	189,833
	<u>\$ 10,750,241</u>	<u>\$ 16,238,317</u>

Changes for the year in deferred contributions are as follows:

	<u>2026</u>	<u>2025</u>
Balance, beginning of year	\$ 16,238,317	\$ 16,205,636
Amount recognized as revenue in the year	(40,799,846)	(43,491,521)
Amount received related to the current and following year	34,669,724	42,557,204
Interest earnings	642,046	966,998
Balance, end of year	<u>\$ 10,750,241</u>	<u>\$ 16,238,317</u>

**9. COMMITMENTS**

The cost to complete the projects currently authorized or in progress at March 31, 2026 is estimated to be \$17,857,792 (2025 - \$27,153,997). These project costs will be funded from net assets, anticipated future donations and GAC contributions.

- a) Under the terms of the GAC institutional support agreement, the Association must spend \$1 of funds raised from the public and members on eligible activities for every \$4 of GAC funding spent on eligible activities as defined in the approved program. As at March 31, 2026, the Association has spent the necessary funds on eligible activities to meet the 4:1 matching requirement for the institutional support agreement (2025 – the Association has met the matching requirements for the grant agreements).

# CANADIAN FOODGRAINS BANK ASSOCIATION INC.

## Notes to the Financial Statements

March 31, 2026

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### 9. COMMITMENTS (continued)

- b) The Association rents premises under an operating lease that expires in 2036. The future lease payments aggregate to \$2,701,757 (2025 - \$600,157) and include the following amounts payable over the next five years and thereafter:

2027	\$ 264,243
2028	261,037
2029	260,277
2030	260,277
2031	270,144
Thereafter	1,385,779

### 10. INTERNALLY RESTRICTED NET ASSETS

The Association internally imposes restrictions on a portion of its net assets by restricting the purposes for which the assets may be used. Total internally restricted assets are \$46,896,433 (2025 - \$46,794,463) which are restricted as follows:

- a) Member funds may be used only upon the direction of member agencies.
- b) Shared fund may be used for food assistance, nutrition, food security and agriculture and livelihood programs as authorized by the executive director or international program director in accordance with policy.
- c) Food security fund may be used under the core GAC grant agreement to fund complementary activities. The policy governing this fund permits the food security fund to be overdrawn up to a specified limit. Any fund deficit will be funded by deposits of member equity at a future date.
- d) Climate adaptation fund may be used to support hunger-affected communities to better adapt to climate change and become more food secure, and may also contribute to climate change mitigation.
- e) Strategic reserve net assets may be used to respond to situations of extraordinary need or strategic importance. All allocations are at the direction of the Executive Committee or Board.
- f) Land reserves include donated assets which may be used at the discretion of the Board.

**CANADIAN FOODGRAINS BANK ASSOCIATION INC.**  
**Notes to the Financial Statements**  
**March 31, 2026**

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**11. INVESTMENT INCOME**

Total investment income represents interest earned and realized gains and losses on investments during the year has been allocated as follows:

	<u>2026</u>	<u>2025</u>
Unrestricted operating reserve	\$ 2,083,334	\$ 2,390,481
Climate fund	15,574	24,241
	<u>2,098,908</u>	<u>2,414,722</u>
GAC institutional support grant allocation - 2021 - 2024	-	19,304
GAC institutional support grant allocation - 2024 - 2028	444,707	549,282
GAC nature positive food systems	171,219	309,922
GAC Sudan crisis - food assistance	6,748	9,449
Gates Foundation grant allocation	13,921	12,451
Humanitarian Coalition	4,924	63,501
Norwegian development fund grant (SCASI)	528	3,090
	<u>\$ 2,740,955</u>	<u>\$ 3,381,721</u>

The income allocation to grants will be recorded as revenue from the grant in the year it is disbursed.

**12. FINANCIAL INSTRUMENTS**

a) *Market risk*

Market risk is the risk to the Association's income that arises from fluctuations in interest rates, foreign exchange rates and equity prices. The Association is exposed to market risk primarily from its investing activities. The value of the Association's assets is affected by short-term changes in prevailing market interest rates and equity prices.

*Interest rate risk*

Interest rate risk refers to the adverse consequences of interest rate changes in the Association's cash flows or fair values of financial instruments. The risk arises when the Association invests in interest-bearing financial instruments and therefore the Association is exposed to interest rate on its investment in debt instruments and cash.

Debt instruments included in Note 4, earn interest at rates of 0.95% - 5.04% (2025 - 0.95% - 5.50%) per annum and have maturity dates ranging from 1 to 1,651 days (2025 - 1 to 2,016 days) after March 31, 2026. The Association does not use derivative instruments to reduce exposure to interest risk.

*Foreign currency risk*

The Association's engages in program expenditures denominated in foreign currencies, with approximately 85% (2025 - 92%) of the program expenditures in US Dollars (USD) and 9% (2025 - 3%) in Euros. At March 31, 2026 the Company also holds \$3,370,794 (2025 - 1,664,151) in foreign investments, primarily denominated in USD.

# CANADIAN FOODGRAINS BANK ASSOCIATION INC.

## Notes to the Financial Statements

March 31, 2026

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### 12. FINANCIAL INSTRUMENTS (continued)

#### *Foreign currency risk (continued)*

As a result, the Association is exposed to foreign currency risk, which is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates.

#### *Equity price risk*

Equity price risk is the risk that the value of the Association's financial instruments will fluctuate due to changes in market prices. The Association is exposed to equity risk on its investments held in equity securities recorded at fair value as described in Note 4. The object of the Association's investment policy is to manage equity price risk through its asset mix parameters and maintaining a diversified portfolio.

#### b) Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. In addition, the Association is exposed to credit risk from its customers.

Accounts receivable are comprised of a number of debtors, which minimizes concentration of credit risk. In addition, short-term investment certificates include government secured investments acquired through major Canadian financial institutions.

### 13. DERIVATIVES

As at March 31, 2026, the Association is subject to contractual obligations under forward exchange contracts to purchase fixed amounts of \$nil USD (2025 - \$39,000,000 USD) in exchange for \$nil CAD (2025 - \$54,845,500 CAD). The fair value of the open contracts at March 31, 2026 is \$nil (2025 – a liability of \$44,682).

During the year, the Organization recognized a net loss of \$733,427 (2025 – net gain of \$316,336) on the settlement of its foreign exchange forward contracts included in the project costs and foreign exchange gains on the Statement of Operations.

### 14. INDIRECT PROGRAM EXPENSES

Total indirect program expenses by nature are as follows:

	<u>2026</u>	<u>2025</u>
Salaries & Benefits	\$ 6,943,335	\$ 6,839,590
Office Rent	348,896	163,902
Software	69,270	101,510
Consultants	242,712	223,853
Travel	582,986	581,642
Other	2,050,870	1,811,572
	<u>\$ 10,238,069</u>	<u>\$ 9,722,069</u>

**CANADIAN FOODGRAINS BANK ASSOCIATION INC.**  
**Schedule of Operations by Account**  
**Year ended March 31, 2026**

Schedule 1

	Mennonite Central Committee Canada	Canadian Baptist Ministries	The Christian and Missionary Alliance	World Renew	Canadian Lutheran World Relief	Emergency Relief and Development Overseas	The United Church of Canada	Nazarene Compassionate Ministries	Evangelical Missionary Church in Canada	Presbyterian World Service and Development	Adventist Development and Relief Agency	Tearfund Canada
<b>Revenue</b>												
Cash and grain donations	\$ 3,141,491	\$ 269,428	\$ 254,822	\$ 1,285,726	\$ 247,263	\$ 480,577	\$ 1,292,400	\$ 47,606	\$ 80,784	\$ 455,819	\$ 162,292	\$ 564,116
Transfers from members	1,555,241	245,000	-	2,750,000	400,000	500,000	-	48,798	26,998	735,000	1,001,523	200,000
GAC												
Institutional Support 2024-2028	4,833,725	-	642,189	8,290,656	863,999	1,183,317	194,016	-	-	1,570,257	2,413,163	956,863
Nature positive	940,671	7,509	-	23,629	1,343,262	176,073	683,997	-	-	-	1,256,033	1,799,280
Sudan crisis - food assistance	-	-	-	642,993	-	1,364,958	-	-	-	-	622,659	-
Humanitarian Coalition	164,400	-	-	432,484	-	135,672	-	-	-	-	225,968	-
Foundation grant	1,003	-	-	-	-	-	-	-	-	-	-	-
Norwegian Development Fund (SCASI)	569,913	-	-	-	-	-	-	-	-	-	-	166,482
Interest (Note 11)	-	-	-	-	-	-	-	-	-	-	-	-
Membership fees	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
	11,206,444	521,937	897,011	13,425,488	2,854,524	3,840,597	2,170,413	96,404	107,782	2,761,076	5,681,638	3,686,741
<b>Expenses</b>												
Programs	14,658,725	281,487	1,277,281	12,522,653	3,022,137	4,451,056	2,156,150	101,878	-	3,555,277	6,858,509	4,696,308
Operating	-	-	-	-	-	-	-	-	-	-	-	-
Other	287,346	106,833	35,932	307,691	163,569	171,295	116,169	3,439	-	94,630	309,880	255,850
	14,946,071	388,320	1,313,213	12,830,344	3,185,706	4,622,351	2,272,319	105,317	-	3,649,907	7,168,389	4,952,158
<b>Other Income</b>												
Unrealized gain on investments	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain on derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange gain	-	-	-	-	-	-	-	-	-	-	-	-
Loss (gain) on disposal of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Operating surplus (deficit)	(3,739,627)	133,617	(416,202)	595,144	(331,182)	(781,754)	(101,906)	(8,913)	107,782	(888,831)	(1,486,751)	(1,265,417)
Net assets, beginning of year	6,672,831	2,046,319	1,047,926	9,138,461	2,661,126	2,241,315	2,394,128	347,107	85,621	517,925	1,889,846	1,529,062
Member equity transfers	2,263,650	(551,536)	106,036	790,680	162,441	491,987	(272,961)	(11,929)	(26,764)	846,178	714,348	754,004
Transfer to Food Security Account	(1,230,954)	-	(85,431)	(1,366,698)	(181,382)	(278,708)	1,480	-	-	(330,059)	(612,151)	(186,952)
Transfer from Food Security Account	1,167,084	-	88,476	792,567	188,445	279,456	705,462	-	-	554,584	250,881	442,843
Net assets, end of year	\$ 5,132,984	\$ 1,628,400	\$ 740,805	\$ 9,950,154	\$ 2,499,448	\$ 1,952,296	\$ 2,726,203	\$ 326,265	\$ 166,639	\$ 699,797	\$ 756,173	\$ 1,273,540

**CANADIAN FOODGRAINS BANK ASSOCIATION INC**  
**Schedule of Operations by Account**  
Year ended March 31, 2026

Schedule 1

	The Salvation Army	Alongside Hope	Development & Peace	Member Subtotal	Shared Fund	Food Security	Climate Adaptation Fund	Strategic Reserve	Land Reserves	Invested in Capital Assets	Unrestricted Operating Reserve	Total
<b>Revenue</b>												
Cash and grain donations	\$ 77,897	\$ 199,552	\$ 405,485	\$ 8,965,258	\$ 11,843,975	\$ -	\$ 6,134	\$ -	\$ -	\$ -	\$ -	\$ 20,815,367
Transfers from members	152,500	750,000	398,000	8,763,060	-	-	-	-	-	-	-	8,763,060
<b>GAC</b>												
Institutional Support 2024-2028	-	1,501,320	488,285	22,937,790	-	-	-	-	-	-	2,300,000	25,237,790
Nature positive	-	706,985	-	6,937,439	-	-	-	-	-	-	3,078,729	10,016,168
Sudan crisis - food assistance	-	-	-	2,630,610	-	-	-	-	-	-	61,944	2,692,554
Humanitarian Coalition	-	-	245,598	1,204,122	-	-	-	-	-	-	28,325	1,232,447
Foundation grant	-	-	-	1,003	-	-	-	-	-	-	635,649	636,652
Norwegian Development Fund (SCASI)	-	-	-	736,395	-	-	-	-	-	-	247,842	984,237
Interest (Note 11)	-	-	-	-	-	-	15,574	-	-	-	2,083,334	2,098,908
Membership fees	-	-	-	-	-	-	-	-	-	-	90,000	90,000
Other	-	-	-	-	51,394	-	-	-	-	-	47,110	98,504
	230,397	3,157,857	1,537,368	52,175,677	11,895,369	-	21,708	-	-	-	8,572,933	72,665,687
<b>Expenses</b>												
Programs	317,262	2,775,034	1,528,704	58,202,461	-	-	-	-	-	-	2,099,004	60,301,465
Operating	-	-	-	-	-	-	-	-	-	-	10,238,069	10,238,069
Other	6,345	98,610	30,574	1,988,163	-	-	-	-	-	-	-	1,988,163
	323,607	2,873,644	1,559,278	60,190,624	-	-	-	-	-	-	12,337,073	72,527,697
<b>Other Income (Expenses)</b>												
Unrealized (loss) on investments	-	-	-	-	-	-	-	-	-	-	(42,114)	(42,114)
Unrealized gain on derivatives	-	-	-	-	-	-	-	-	-	-	44,682	44,682
Foreign exchange gain	-	-	-	-	-	-	-	-	-	-	113,573	113,573
(Loss) gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-	(6,460)	(6,460)
	-	-	-	-	-	-	-	-	-	-	109,681	109,681
Operating surplus (deficit)	(93,210)	284,213	(21,910)	(8,014,947)	11,895,369	-	21,708	-	-	-	(3,654,459)	247,671
Net assets, beginning of year	330,007	1,147,963	547,020	32,596,657	8,331,883	164,316	114,571	2,789,416	2,797,620	122,120	8,559,279	55,475,862
Member equity transfers	106,307	7,975	882,591	6,263,007	(9,908,607)	-	(1,377)	(153,183)	-	143,126	3,657,034	-
Transfer to Food Security Account	-	(212,804)	(112,480)	(4,596,139)	-	(164,316)	-	-	-	-	-	(4,760,455)
Transfer from Food Security Account	45,548	149,332	95,777	4,760,455	-	-	-	-	-	-	-	4,760,455
Net assets, end of year	\$ 388,652	\$ 1,376,679	\$ 1,390,998	\$ 31,009,033	\$ 10,318,645	\$ -	\$ 134,902	\$ 2,636,233	\$ 2,797,620	\$ 265,246	\$ 8,561,854	\$ 55,723,533

**CANADIAN FOODGRAINS BANK ASSOCIATION INC**  
**Schedule of International Program**  
**Management Expenses**  
**Year ended March 31, 2026**

	<u>2026</u>	<u>2025</u>
Salaries and benefits	<b>\$ 2,739,201</b>	\$ 2,748,646
Materials development and video	<b>55,516</b>	15,443
Telecommunications	<b>7,176</b>	7,035
Consultants	<b>65,655</b>	64,735
Travel and delegations	<b>249,158</b>	270,780
Project financial reviews	<b>77,852</b>	102,830
Workshops and seminars	<b>43,635</b>	62,461
Program evaluation	<b>97,340</b>	21,986
Amortization	<b>-</b>	18,598
Software licenses	<b>69,270</b>	101,510
Other	<b>73,916</b>	19,109
	<b>\$ 3,478,719</b>	<b>\$ 3,433,133</b>

**CANADIAN FOODGRAINS BANK ASSOCIATION INC.**  
**Schedule of Public Policy Expenses**  
**Year ended March 31, 2026**

	<b>2026</b>	<b>2025</b>
Salaries and benefits	<b>\$ 691,478</b>	747,925
Consultants	<b>103,539</b>	56,819
Travel	<b>23,648</b>	47,721
Workshops, meetings and events	<b>36,100</b>	48,766
Coalitions and policy work	<b>35,892</b>	42,305
Communication materials	<b>9,399</b>	26,552
Amortization	<b>2,609</b>	-
Other	<b>18,316</b>	18,257
	<b>\$ 920,981</b>	<b>\$ 988,345</b>

**CANADIAN FOODGRAINS BANK ASSOCIATION INC**  
**Schedule of Public Engagement Expenses**  
**Year ended March 31, 2026**

	<b>2026</b>	<b>2025</b>
Salaries and benefits	\$ 254,720	\$ 265,195
Communication materials	13,485	20,506
Consultants	7,887	-
People to people program	15,700	15,338
Study tours	70,598	69,300
Workshops, meetings and events	17,541	5,104
Travel	6,823	3,945
Other	1,075	880
	<b>\$ 387,829</b>	<b>\$ 380,268</b>

**CANADIAN FOODGRAINS BANK ASSOCIATION INC**  
**Schedule of Resource Gathering and**  
**Communications Expenses**  
**Year ended March 31, 2026**

	<u>2026</u>	<u>2025</u>
Salaries and benefits	<b>\$ 1,598,374</b>	\$ 1,518,303
Travel and regional expenses	<b>217,197</b>	215,789
Communications and advertising	<b>325,571</b>	278,376
Consultants	<b>53,857</b>	77,795
Workshops, meeting and events	<b>66,069</b>	40,659
Postage and courier	<b>12,926</b>	15,860
Amortization	<b>51</b>	51
Equipment repairs, service & licenses	<b>89,243</b>	80,126
Other	<b>249,464</b>	176,266
	<b>\$ 2,612,752</b>	<b>\$ 2,403,225</b>

**CANADIAN FOODGRAINS BANK ASSOCIATION INC**  
**Schedule of Administration Expenses**  
**Year ended March 31, 2026**

	<u>2026</u>	<u>2025</u>
Directors' meetings	\$ 67,995	\$ 81,436
Board international travel	31,709	-
Salaries and benefits	1,659,562	1,559,521
Consultants	11,774	24,504
Audit and legal	66,982	54,094
Insurance	70,074	67,403
Office rent	348,896	163,902
Office supplies	106,584	18,052
Postage and courier	16,184	13,991
Telecommunications	11,824	10,410
Equipment repairs, service & licenses	94,118	96,368
Training	54,279	93,144
Travel	54,451	43,407
Amortization	51,413	57,891
Membership fees	80,880	84,464
Other	111,063	148,511
	<b>\$ 2,837,788</b>	<b>\$ 2,517,098</b>