

International Fellowship of Christians and Jews of Canada

Financial Statements

For the Year Ended December 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of International Fellowship of Christians and Jews of Canada

Opinion

We have audited the financial statements of International Fellowship of Christians and Jews of Canada (the "Organization or "IFCJ Canada"), which comprise the statement of financial position as at December 31, 2025, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

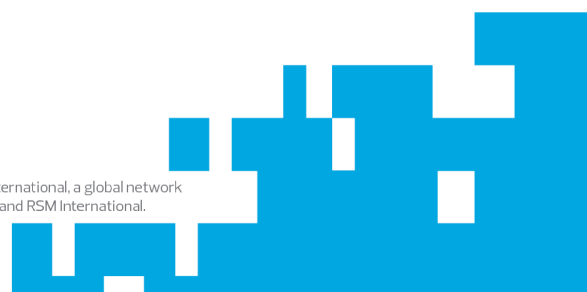
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance 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 the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
June 22, 2026
Toronto, Ontario

International Fellowship of Christians and Jews of Canada
Statement of Financial Position
As at December 31, 2025

	2025	2024
Assets		
Current		
Cash	\$ 1,189,684	\$ 1,750,222
HST rebate and other receivables	141,305	142,754
Prepaid expenses	156,932	154,111
	1,487,921	2,047,087
Capital assets (Note 3)	394,619	476,864
Cloud computing implementation costs (Note 4)	41,300	55,787
	\$ 1,923,840	\$ 2,579,738

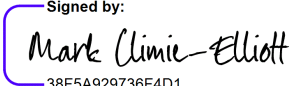
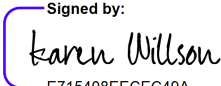
Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 740,081	\$ 949,144
Current portion of deferred tenant inducement	24,845	24,845
	764,926	973,989
Deferred tenant inducement	203,358	215,279
	968,284	1,189,268

Net Assets

Invested in capital assets (Note 5)	261,995	333,884
Internally restricted reserve fund	680,000	880,000
Unrestricted	13,561	176,586
	955,556	1,390,470
	\$ 1,923,840	\$ 2,579,738

Commitments (Note 8)

Approved by the Board	Signed by:	Signed by:
		
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	Director	Director

International Fellowship of Christians and Jews of Canada
Statement of Operations
Year Ended December 31, 2025

	2025	2024
Revenue		
Donor contributions		
Restricted	\$ 5,264,657	\$ 5,411,502
Unrestricted	8,446,791	8,485,145
Operating grant (Note 10)	781,545	771,274
Interest income	19,006	79,283
	14,511,999	14,747,204
Expenses		
Program expenses		
Poverty	8,499,504	8,250,191
Aliyah	602,567	1,813,694
Fellowship	92,145	55,482
	9,194,216	10,119,367
Other expenses		
Fundraising (Note 7)	4,432,000	4,410,567
Management and administration	1,320,697	1,410,920
	5,752,697	5,821,487
	14,946,913	15,940,854
Deficiency of revenues over expenses	\$ (434,914)	\$ (1,193,650)

International Fellowship of Christians and Jews of Canada
Statement of Changes in Net Assets
Year Ended December 31, 2025

	Invested in capital assets	Internally restricted reserve funds	Unrestricted	2025 Total	2024 Total
Net assets, beginning of year	\$ 333,884	\$ 880,000	\$ 176,586	\$ 1,390,470	\$ 2,584,120
Deficiency of revenues over expenses	(114,910)	-	(320,004)	(434,914)	(1,193,650)
Interfund transfer - net tenant inducement	24,845	-	(24,845)	-	-
Interfund transfer - purchase of capital assets and cloud computing implementation costs	18,176	-	(18,176)	-	-
Interfund transfer (Note 11)	-	(200,000)	200,000	-	-
Net assets (deficiency), end of year	\$ 261,995	\$ 680,000	\$ 13,561	\$ 955,556	\$ 1,390,470

International Fellowship of Christians and Jews of Canada
Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
Cash provided by (used in)		
Operations		
Deficiency of revenues over expenses	\$ (434,914)	\$ (1,193,650)
Items not affecting cash		
Amortization of capital assets	82,246	79,058
Amortization of cloud computing implementation costs	32,664	31,282
Amortization of tenant inducement	(24,845)	(24,845)
Straight-line rent impact	12,924	18,092
Loss on write off of capital assets	-	1,368
	(331,925)	(1,088,695)
Net changes in non-cash operating working capital		
Other receivables	1,448	3,134
Prepaid expenses and deposits	(2,821)	(14,274)
Accounts payable and accrued liabilities	(209,062)	270,134
Deferred revenue	-	(35,002)
	(542,360)	(864,703)
Investing		
Additions to capital assets	-	(18,457)
Cloud computing implementation costs	(18,178)	(35,952)
	(18,178)	(54,409)
Decrease in cash	(560,538)	(919,112)
Cash, beginning of year	1,750,222	2,669,334
Cash, end of year	\$ 1,189,684	\$ 1,750,222

1. NATURE OF OPERATIONS

International Fellowship of Christians and Jews of Canada ("IFCJ Canada") was incorporated as a not-for-profit organization without share capital in 1999 under the Canada Corporations Act and was continued under the Canada Not-for-Profit Corporations Act in 2014. Its objectives are to advance, encourage and support Christians and Jews in their faith practices by promoting biblical doctrine and values in accordance with IFCJ Canada's statement of beliefs, and to relieve human suffering and economic hardships through initiatives that testify to God's word and promise. IFCJ Canada is a registered charity under the Income Tax Act (Canada) and accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for IFCJ Canada.

Revenue Recognition

IFCJ Canada follows the deferral method of accounting for contributions, which include donations and operating grants. Unrestricted contributions are recognized when received. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

Revenues other than contributions, including investment income, are recognized when they are earned and collectibility is reasonably assured.

Contributed Material and Services

Because of the difficulty in determining the fair value of contributed materials and services, contributed services and materials are not recognized in these financial statements.

Internally Restricted Reserve Fund

The Board of Directors created an internally restricted reserve fund in December 2020 to cover operating costs and planned charitable program disbursements. In April 2021 the Board approved an increase in the reserve to \$880,000. A temporary reduction to the reserve fund of \$200,000 was approved by the Board for 2025.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Capital Assets

Capital assets are recorded at cost less accumulated amortization. When conditions indicate a capital asset's value is impaired, it will be written down to its fair value or replacement cost, with the write-down recorded as an expense. Write-downs will not be reversed. Amortization is provided on a straight-line basis over the estimated useful lives of the assets, as follows:

<u>Asset</u>	<u>Rate</u>
Computer	3 years
Furniture and fixtures	7 years
Leasehold improvements	Term of lease

Cloud Computing Implementation Costs

IFCJ Canada has elected to capitalize implementation costs directly associated with using software services such as its Customer Relationship Management software. These costs are amortized on a straight-line basis over the estimated remaining periods of use of the associated software. Amortization is currently being taken over 5 years, the term of the software license agreement.

The costs associated with the software service are expensed as incurred.

Deferred Tenant Inducement

Leases are accounted for as operating leases and rent expense is recorded in the statement of operations on a straight-line basis over the term of the related lease. The excess of the straight-line rent expense over the rental payments as stipulated under the lease agreement is recorded to deferred tenant inducement, which will be reduced as the actual rent exceeds the smoothed rent.

Amounts paid by the landlord for leasehold improvements are also recorded as deferred tenant inducement and taken into income at the same rate as the leasehold improvements are amortized.

Allocation of Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statement operations. Operating expenses directly identified with a functional area are charged to that area. Payroll expenses which affect more than one area are allocated based on management estimates relating to time spent and employee job description.

Financial Instruments

IFCJ Canada initially measures its financial assets and liabilities at fair value. IFCJ Canada subsequently measures its financial assets and financial liabilities at cost or amortized cost.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of a write-down, if any, is recognized in the excess of revenue over expenses. Reversals of impairment are recorded to the extent that the value has increased, up to the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenditures for the year then ended. Estimates are used when accounting for amortization and expense allocations. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2025	Net 2024
Computer	\$ 49,257	\$ 40,693	\$ 8,564	\$ 24,616
Furniture and fixtures	171,075	77,996	93,079	117,518
Leasehold improvements	417,546	124,570	292,976	334,730
	\$ 637,878	\$ 243,259	\$ 394,619	\$ 476,864

4. CLOUD COMPUTING IMPLEMENTATION COSTS

	Cost	Accumulated Amortization	Net 2025	Net 2024
Cloud computing implementation costs	\$ 119,819	\$ 78,519	\$ 41,300	\$ 55,787

5. INVESTED IN CAPITAL ASSETS

Invested in capital assets is comprised of the following:

	2025	2024
Capital assets	\$ 394,619	\$ 476,864
Cloud computing amortization costs	41,300	55,787
Unamortized tenant inducement	(173,924)	(198,767)
	\$ 261,995	\$ 333,884

6. DEFINED CONTRIBUTION EMPLOYEE BENEFIT PLAN

IFCJ Canada sponsors a defined contribution retirement plan for full time employees, matching employee contributions to a maximum of 5% of annual salary. IFCJ Canada contributed \$38,430 (2024 - \$29,534) to employee plans during the year.

7. FUNDRAISING

Fundraising expense includes an allocation of payroll and benefit costs of \$747,156 (2024 - \$538,470) for employees whose duties include fundraising activities. \$172,115 (2024 - \$167,806) was paid to a fundraising business used to make solicitations on behalf of IFCJ Canada. Fundraising costs also include TV airtime and production, printing, postage and a post office lockbox.

8. COMMITMENTS

IFCJ Canada leases its premises under an agreement which expires on December 31, 2032. Minimum future payments required under the operating lease are as follows:

2026	\$ 186,018
2027	190,992
2028	195,966
2029	200,940
2030	205,913
Thereafter	426,748
	\$ 1,406,577

9. FINANCIAL RISK MANAGEMENT

In managing capital, IFCJ Canada focuses on liquid resources available for operations. IFCJ Canada's objective is to have sufficient liquid resources to continue operating and to provide it with the flexibility to take advantage of opportunities that will advance its purpose. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to budget.

There were no changes in the risks from the previous year end.

10. RELATIONSHIP WITH THE INTERNATIONAL FELLOWSHIP OF CHRISTIANS & JEWS, INC. (IFCJ U.S.)

While sharing a common mission, IFCJ Canada operates independently (governed by its Board of Directors) and is not controlled by IFCJ U.S. Under IFCJ Canada's governing documents, IFCJ U.S. may appoint up to 1/3 of IFCJ Canada's directors.

IFCJ Canada has a management services agreement with IFCJ U.S. under which IFCJ U.S. provides information technology and other services. IFCJ Canada made payments of \$37,338 to IFCJ U.S. under this agreement during 2025 (2024 – \$83,128).

During the year, IFCJ U.S. provided an operating grant of \$781,545 (2024 - \$771,274) to IFCJ Canada.

11. INTERFUND TRANSFER

During the year, the Board approved a transfer from the internally restricted reserve fund to the unrestricted fund of \$200,000 (2024 - \$Nil).

12. COMPARATIVE FIGURES

Certain comparative statement of financial position figures have been reclassified to conform with the current year presentation. There is no impact to the prior year deficiency of revenues over expenses.