
TEARFUND CANADA
FINANCIAL STATEMENTS
JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members
Tearfund Canada
SCARBOROUGH
Ontario

Opinion

We have audited the accompanying financial statements of Tearfund Canada which comprise the statement of financial position as at June 30, 2025 and the statement of operations, statement of 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 June 30, 2025 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.

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.

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.

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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

November 20, 2025

TEARFUND CANADA
STATEMENT OF FINANCIAL POSITION

As at June 30,

2025

2024

ASSETS

Current

Cash	\$ 764,577	\$ 703,085
Accounts receivable	93,382	41,132
Prepaid expenses	37,108	-
	<u>\$ 895,067</u>	<u>\$ 744,217</u>

Canadian Foodgrains Bank Association Inc. (CFGB) (Note 2)

<u>1,117,510</u>	<u>1,610,281</u>
<u>\$ 2,012,577</u>	<u>\$ 2,354,498</u>

LIABILITIES

Current

Accounts payable and accrued liabilities	\$ 249,541	\$ 138,475
Deferred contributions (Note 3)	51,805	78,980
	<u>\$ 301,346</u>	<u>\$ 217,455</u>

NET ASSETS

Canadian Foodgrains Bank Association Inc. (CFGB) (Note 2)	\$ 1,117,510	\$ 1,610,281
Board designated (Note 4)	100,000	100,000
Unrestricted	493,721	426,762
	<u>\$ 1,711,231</u>	<u>\$ 2,137,043</u>
	<u>\$ 2,012,577</u>	<u>\$ 2,354,498</u>

Commitment (Note 5)

Approved by the Board:

 Director

 Director

See accompanying notes

TEARFUND CANADA**STATEMENT OF CHANGES IN NET ASSETS**For the year ended June 30,

	CFGB	Board Designated	Unrestricted	2025 TOTAL	2024 TOTAL
BALANCE - Beginning	\$ 1,610,281	\$ 100,000	\$ 426,762	\$ 2,137,043	\$ 2,188,933
Deficiency of revenues over expenses	(252,109)	-	(173,703)	(425,812)	(51,890)
Transfer from CFGB (Note 2)	(340,662)	-	340,662	-	-
Transfers to CFGB (Note 2)	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>
BALANCE - Ending	<u>\$ 1,117,510</u>	<u>\$ 100,000</u>	<u>\$ 493,721</u>	<u>\$ 1,711,231</u>	<u>\$ 2,137,043</u>

See accompanying notes

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TEARFUND CANADA
STATEMENT OF OPERATIONS

For the year ended June 30,

2025

2024

REVENUES

Contributions	\$ 2,711,427	\$ 2,340,879
Contributions through CFGB (Note 2)	<u>697,366</u>	<u>581,765</u>
	<u>\$ 3,408,793</u>	<u>\$ 2,922,644</u>

Grants

CFGB: Global Affairs Canada and others (Note 2)	<u>\$ 4,826,248</u>	<u>\$ 5,019,808</u>
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Government subsidies

	\$ 16,689	\$ 15,746
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Investment income

	<u>6,835</u>	<u>26,532</u>
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	<u>\$ 23,524</u>	<u>\$ 42,278</u>
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TOTAL REVENUES

	<u>\$ 8,258,565</u>	<u>\$ 7,984,730</u>
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EXPENSES

Program Ministries

Development

CFGB projects (Note 2)	\$ 4,367,904	\$ 4,281,142
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Other	<u>977,902</u>	<u>869,011</u>
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Humanitarian Assistance

CFGB projects (Note 2)	<u>1,407,819</u>	<u>1,080,850</u>
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Other	<u>385,813</u>	<u>265,038</u>
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Advocacy

	<u>160,008</u>	<u>214,851</u>
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	<u>\$ 7,299,446</u>	<u>\$ 6,710,892</u>
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Supporting Ministries

Fund promotion

	\$ 1,031,926	\$ 978,925
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General and administrative

	<u>353,005</u>	<u>346,803</u>
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	<u>\$ 1,384,931</u>	<u>\$ 1,325,728</u>
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TOTAL EXPENSES

	<u>\$ 8,684,377</u>	<u>\$ 8,036,620</u>
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DEFICIENCY OF REVENUES OVER EXPENSES

	<u>\$ (425,812)</u>	<u>\$ (51,890)</u>
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See accompanying notes

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TEARFUND CANADA

STATEMENT OF CASH FLOWS

For the year ended June 30,

2025

2024

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

OPERATING ACTIVITIES

Deficiency of revenues over expenses	\$ (425,812)	\$ (51,890)
Net change in non-cash working capital balances:		
Accounts receivable	(52,250)	2,302
Prepaid expenses	(37,108)	-
CFGB balance	492,771	(184,734)
Accounts payable and accrued liabilities	111,066	96,123
Deferred revenue	(27,175)	78,980
	<u>\$ 61,492</u>	<u>\$ (59,219)</u>

FINANCING ACTIVITIES

Repayment of CEBA loan	<u>-</u>	<u>(40,000)</u>
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INCREASE (DECREASE) IN CASH

	<u>\$ 61,492</u>	<u>\$ (99,219)</u>
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CASH - Beginning

	<u>703,085</u>	<u>802,304</u>
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CASH - Ending

	<u>\$ 764,577</u>	<u>\$ 703,085</u>
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See accompanying notes

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TEARFUND CANADA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

PURPOSE OF ORGANIZATION

World Relief Canada was incorporated under the Canada Corporations Act as a not-for-profit organization and as of 2013 has been continued under the Canada Not-for-Profit Corporations Act. The organization changed its name to Tearfund Canada (the "Organization") on January 1, 2018. Further, it is classified as a registered charity under the Income Tax Act (Canada) Charity Number: 108222191 RR 0001 and, therefore, is exempt from income taxes and able to issue official donation receipts to donors.

Tearfund Canada's vision is to see people freed from poverty, living transformed lives, and reaching their God-given potential. The Organization works with the church in the poorest places to unlock God-given potential – creating flourishing people and resilient communities.

Tearfund Canada is a member of the Tearfund Family of international relief and development organizations. The nine members (Australia, Belgium, Canada, France, Germany, Ireland, the Netherlands, New Zealand, United Kingdom) have a shared identity and vision, yet each organization is separate and independent. The Tearfund family invests in collaborative relationships, combining strengths to effectively carry out our mission, intentionally nurturing Christian identity, sharing resources, simplifying processes and embracing our individual distinctives.

Through our non-discriminatory approach to international humanitarian relief and development, we enable 'whole-life' transformation for those in greatest poverty. Prioritizing partnerships, we empower local church-based partners and strive for excellence and accountability in all activities.

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) Revenue Recognition

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

b) 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 rate of exchange prevailing at the date of the transaction.

TEARFUND CANADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

c) 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.

Significant estimates include the assumptions supporting the proportionate allocation of expenses amongst the various programs and functions.

d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in the bank.

e) Contributed Services

Volunteers contribute significant hours per year to assist the Organization in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

f) Allocation of Expenses

Certain employees perform a combination of advocacy, programming, fundraising and administrative functions. As a result, salaries are allocated to each function based on estimated functional activity incurred by each employee. General and administrative costs directly support programs and are allocated on the same basis as salaries. Such allocations are reviewed annually, updated and changes applied on a prospective basis.

TEARFUND CANADA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

g) 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, and subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash, accounts receivable, and the CFGB balance. 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 or 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.

2. BALANCE WITH CFGB

The Organization is a member of Canadian Foodgrains Bank Association Inc. (CFGB). The balance at year end includes residual funds held by CFGB on behalf of Tearfund Canada. Tearfund has control to direct the funds towards projects at its discretion. The funds earn no interest while held by CFGB.

CFGB revenue consists of Tearfund Canada's donations, grants, and other income totaling \$5,523,614 (2024 - \$5,601,573) received through CFGB for the year. Historically, contributions to Tearfund's equity account at CFGB have been leveraged by Global Affairs Canada (GAC) on a 1:3 or 1:4 basis or leveraged through other CFGB sources on a 1:1 basis.

Expenditures made through CFGB on behalf of the Organization total \$5,775,723 (2024 - \$5,361,992) for Tearfund Canada's programming.

Transfers from the Organization's unrestricted fund to CFGB totaling \$100,000 (2024 - \$225,000) were made per board approval to increase the Organization's investment in CFGB and \$340,662 (2024 - \$279,847) was returned to the Organization for administrative fees.

TEARFUND CANADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

3. DEFERRED CONTRIBUTIONS

Separate accounts are maintained for each project undertaken by the Organization. Projects may extend over a number of years. Funds committed to these projects not disbursed in the year of receipt are reflected as deferred contributions on the statement of financial position as follows:

	Development
Balance - June 30, 2023	\$ -
Amount received	1,196,814
Amounts recognized as revenue	<u>(1,117,834)</u>
Balance - June 30, 2024	\$ 78,980
Amount received	1,472,418
Amounts recognized as revenue	<u>(1,499,593)</u>
Balance - June 30, 2025	<u>\$ 51,805</u>

4. BOARD DESIGNATED FUND

The Board of Directors authorized a fund of up to \$100,000 to be funded out of surplus operating funds. The fund is to be used for emergency disaster relief expenditures up to \$75,000 at the discretion of the President. Funds expended will be replaced from contributions and grants designated for the emergency but received after the expenditures are made.

5. COMMITMENT

The Organization has entered into a lease for office premises through September 2029. Rent commitments under the lease are as follows:

2026	\$ 16,917
2027	16,803
2028	17,351
2029	17,899
2030	<u>4,509</u>
	<u>\$ 73,479</u>

TEARFUND CANADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

6. ALLOCATION OF EXPENSES

Salaries and general and administration costs, which include such items as rent, office expenses and professional fees, are incurred in the direct support of various programs and functions. Salaries and general and administrative costs have been allocated to the various programs and functions as follows:

	2025			2024
	Salaries	General and Administrative	Total	Total
Fund promotion	\$ 545,062	\$ 100,544	\$ 645,606	\$ 594,327
Humanitarian Assistance	325,728	60,085	385,813	314,464
Development	325,728	60,085	385,813	314,464
General and administrative	300,229	55,382	355,611	299,851
Advocacy	89,584	16,525	106,109	153,324
	<u>\$ 1,586,331</u>	<u>\$ 292,621</u>	<u>\$ 1,878,952</u>	<u>\$ 1,676,430</u>

7. 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 June 30, 2025:

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's main credit risks relate to its accounts receivable. The majority of the Organization's receivables relate to HST refundable and government assistance receivable. As a result, the Organization is not exposed to significant credit risk. There has been no change in the 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 mainly with respect to its accounts payable and accrued liabilities. The Organization manages this risk by managing its working capital and by generating sufficient cash flow from operations. There has been no significant change in the assessment of liquidity risk from the prior year.

TEARFUND CANADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

7. FINANCIAL INSTRUMENTS - Continued

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 exposed to currency 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. As at June 30, 2025, approximately \$72,410 (2024 - \$96) in cash denominated in U.S. currency has been converted into equivalent Canadian dollars at the exchange rate in effect at the year end.

SUPPLEMENTARY FINANCIAL INFORMATION

The accompanying supplementary schedules of program disbursements by country and by sector are presented as supplementary information only. In this respect, it does not form part of the financial statements of Tearfund Canada for the year ended June 30, 2025 and hence is excluded from our audit report dated November 20, 2025 to the directors and members on such financial statements.



NORTON McMULLEN LLP
Chartered Professional Accountants
Licensed Public Accountants

MARKHAM, Canada
November 20, 2025

TEARFUND CANADA**SUPPLEMENTARY SCHEDULE - PROGRAM DISBURSEMENTS BY COUNTRY (UNAUDITED)**For the year ended June 30, 2025

Country	Key Activities	Disbursement	Percentage
Canada	Reconciliation with First Nations: Bring Back the Buffalo, Advocacy	\$ 284,581	4%
DR Congo	Church and community transformation, agriculture & livelihoods development, savings groups, trauma healing/women's empowerment	315,956	4%
Ethiopia	Church and community transformation, agriculture & livelihoods, creation care, organizational capacity building, savings groups, trauma healing/women's empowerment	3,386,553	46%
India	Agriculture & livelihoods, self help savings groups	149,695	2%
Kenya	Church and community transformation, agriculture & livelihoods, creation care	2,006,118	27%
South Sudan	Humanitarian Assistance (Food Assistance) and trauma healing/women's empowerment	962,290	13%
Tanzania	Church and community transformation, agriculture & livelihoods, creation care, trauma healing/women's empowerment, and savings groups	<u>194,253</u>	<u>3%</u>
Total Program Expenses		<u>\$ 7,299,446</u>	100%

See accompanying notes

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TEARFUND CANADA

SUPPLEMENTARY SCHEDULE - PROGRAM DISBURSEMENTS BY SECTOR (UNAUDITED)

For the year ended June 30, 2025

Program	Disbursement	Percentage
Church and Community Transformation	\$ 115,050	2%
Food Security (Agriculture & Livelihoods)	2,135,885	29%
Savings Groups	581,320	8%
Trauma Healing (Women's Empowerment)	125,947	2%
Emergency Relief (Humanitarian Assistance)	1,694,007	23%
Climate Adaptation (Creation Care)	2,363,229	32%
Reconciliation (First Nations)	124,000	2%
Advocacy	<u>160,008</u>	<u>2%</u>
Total Program Expenses	<u>\$ 7,299,446</u>	100%

See accompanying notes

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