Doane Grant Thornton

Financial Statements

The Evangelical Fellowship of Canada/ Alliance Evangelique du Canada

May 31, 2026

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Doane Grant Thornton LLP
11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4

T +1 416 366 0100
F +1 416 360 4949
www.doanegrantthornton.ca

Independent Auditor's Report

To the Constituents of
The Evangelical Fellowship of Canada/Alliance Evangelique du Canada

Opinion

We have audited the financial statements of The Evangelical Fellowship of Canada/Alliance Evangelique du Canada (the "Organization"), which comprise the statement of financial position as at May 31, 2026, and the statements of activity, 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 financial statements present fairly, in all material respects, the financial position of the Organization as at May 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. 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 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 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.

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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 ASNPO 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.

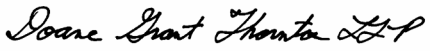
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.

- 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.



Toronto, Canada
October 21, 2026

Chartered Professional Accountants
Licensed Public Accountants

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The Evangelical Fellowship of Canada/ Alliance Evangelique du Canada
Statement of Financial Position

May 31	2026	2025
Assets		
Current		
Cash	**$ 650,373**	$ 637,580
Accounts receivable	**140,913**	130,054
Due from the World Evangelical Alliance (Note 3)	**-**	11,145
Prepaid expenses	**110,711**	52,076
	901,997	830,855
Investments held for Vandervelde Endowment Fund (Note 4)	**-**	8,329
Long-term investments (Note 5)	**1,002,526**	1,048,083
Property and equipment (Note 6)	**462,329**	569,930
	$ 2,366,852	$ 2,457,197
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 111,112**	$ 149,134
Accrued vacation payable	**22,540**	20,229
Deferred contributions (Note 7)	**136,242**	54,743
Deferred revenue	**5,740**	167
Due to the World Evangelical Alliance (Note 3)	**118**	-
	275,752	224,273
Deferred lease inducement (Note 8)	**59,211**	59,019
	334,963	283,292
Net assets		
Invested in property and equipment	**462,329**	569,930
Unrestricted	**1,569,560**	1,598,831
Restricted for endowment purposes	**-**	5,144
	2,031,889	2,173,905
	$ 2,366,852	$ 2,457,197

Commitments (Note 11)

On behalf of the Board of Directors

_____ Director _____ Director

See accompanying notes to the financial statements.

The Evangelical Fellowship of Canada/ Alliance Evangelique du Canada
Statement of Activity

Year ended May 31

	2026	2025
Revenue		
Contributions	**$ 2,564,153**	$ 2,551,037
Program registrations and program specific contributions	**1,277,118**	1,118,695
Affiliation fees	**436,349**	413,753
Administrative income	**385,854**	373,708
Sales of advertising, magazines and products	**161,009**	180,509
Miscellaneous income	**140,792**	114,248
Investment (loss) income	**(45,512)**	4,095
	4,919,763	4,756,045
Expenditures (Note 9)		
Operating costs incurred in supporting our ministries		
Equipping and encouraging ministry leaders through networks, partnerships, consultations, forums and roundtables	**1,547,388**	1,393,413
Fostering and engaging in public witness, including conferences, seminars, speaking engagements, research, submissions, legal arguments and presentations	**1,154,633**	1,181,943
Facilitating growth in the Christian faith and evangelical identity through Faith Today Magazine, Canada Watch, web sites and other communications ministries	**865,600**	1,018,816
	3,567,621	3,594,172
Other expenditures		
Fundraising and ministry advancement	**690,276**	744,087
Governance, leadership and World Evangelical Alliance support and involvement	**363,949**	365,517
General and administrative to support above ministries	**314,118**	311,388
	1,368,343	1,420,992
	4,935,964	5,015,164
Deficiency of revenue over expenditures before other expenditure	**(16,201)**	(259,119)
Other expenditure		
Amortization of property and equipment	**(125,815)**	(140,199)
Deficiency of revenue over expenditures	**$ (142,016)**	$ (399,318)

See accompanying notes to the financial statements.

The Evangelical Fellowship of Canada/ Alliance Evangelique du Canada
Statement of Changes in Net Assets
Year ended May 31

	Invested in property and equipment	Unrestricted	Restricted for endowment purposes	Total 2026	Total 2025
Balance, beginning of year	$ 569,930	$ 1,598,831	$ 5,144	**$ 2,173,905**	$ 2,573,223
Deficiency of revenue over expenditures	(125,815)	(16,201)	-	**(142,016)**	(399,318)
Purchase of property and equipment	18,214	(18,214)	-	**-**	-
Interfund transfer (Note 4)	-	5,144	(5,144)	**-**	-
Balance, end of year	**$ 462,329**	**$ 1,569,560**	**$ -**	**$ 2,031,889**	$ 2,173,905

See accompanying notes to the financial statements.

The Evangelical Fellowship of Canada/ Alliance Evangelique du Canada
Statement of Cash Flows

Year ended May 31	**2026**	2025
Increase (decrease) in cash and cash equivalents		
Operating		
Deficiency of revenue over expenditures	**$ (142,016)**	$ (399,318)
Items not affecting cash		
Realized gain on investments	**-**	(3,904)
Unrealized loss on investments	**45,557**	4,458
Amortization of property and equipment	**125,815**	140,199
Increase in lease inducement	**192**	453
	29,548	(258,112)
Change in non-cash working capital items		
Accounts receivable	**(10,859)**	(340)
Prepaid expenses	**(58,635)**	31,629
Accounts payable and accrued liabilities	**(38,022)**	65,269
Accrued vacation payable	**2,311**	(39,092)
Deferred contributions	**81,499**	29,455
Deferred revenue	**5,573**	(152)
Due to/from the World Evangelical Alliance	**11,263**	4,151
	22,678	(167,192)
Financing		
(Decrease) increase in bank indebtedness	**-**	(45,622)
Investing		
Purchase of investments	**-**	(4,226)
Proceeds on sale of investments	**-**	900,000
Redemption (purchase) of investments held for Vandervelde Endowment Fund	**8,329**	(185)
Purchase of property and equipment	**(18,214)**	(45,195)
	(9,885)	850,394
Increase in cash and cash equivalents	**12,793**	637,580
Cash and cash equivalents		
Beginning of year	**637,580**	-
End of year	**$ 650,373**	$ 637,580

See accompanying notes to the financial statements.

1. Nature of operations

The Evangelical Fellowship of Canada/Alliance Evangelique du Canada (the "EFC") promotes loyalty to the historical doctrines of Christianity and provides a united voice to express concerns for spiritual and moral values. The EFC is incorporated under the Canada Not-for-profit Corporations Act, and is a registered charity under the Income Tax Act (Canada) and as such, is exempt from income taxes.

2. Summary of significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), the more significant of which are outlined below.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management’s best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess of revenue over expenditures as appropriate in the fiscal year they become known.

Revenue recognition

The EFC follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the fiscal year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Program registrations and sales of product revenue are recognized in the period in which the services and products are provided.

Affiliation fees are recognized when received or receivable.

Administrative, investment and other miscellaneous income are recognized as earned.

Sales of advertising and magazines are recognized upon publication of each issue of the Faith Today Magazine.

Revenue from sales of the magazines received in advance is recorded as deferred revenue.

2. Summary of significant accounting policies (continued)

Property and equipment

Property and equipment is recorded at cost and is being amortized over its estimated useful life on a straight-line basis. The annual amortization rates are as follows:

Office equipment	5 years
Computer equipment	3 - 5 years
Computer software	5 - 10 years

Amortization of leasehold improvements is recorded over the remaining term of the lease.

Property and equipment are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to their fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of activity. Any impairment recognized is not reversed.

Allocation of expenditures

The EFC incurs general support expenses including salaries and benefits, occupancy costs, human resource costs and travel that are common to the administration of each respective program. The EFC allocates its general support expenses to each program based on time spent by individuals in each ministry area by job description.

The details of the allocation of expenditures are included in Note 9.

Contributed goods and services

Contributed goods and capital donations are recorded at fair market value as at the date of contribution, if the fair market value is reasonably determinable and would be purchased in the normal course of operations.

Volunteers assist the EFC in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services, although clearly substantial, are not recognized in the financial statements.

Financial instruments

The EFC considers any contract creating a financial asset, liability, or equity instrument as a financial instrument. The EFC's financial instruments are comprised of investments, accounts receivable, due from the World Evangelical Alliance, investments held for Vandervelde Endowment Fund, bank indebtedness and accounts payable.

Financial assets or liabilities are initially measured at fair value and subsequently measured at amortized cost except for all investments which are recorded at fair value. Unrealized gains and losses are recorded directly in the statement of activity.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets and financial liabilities in related party transactions are initially and subsequently measured at cost.

For financial assets measured at cost or amortized cost, the EFC regularly assesses whether there are any indications of impairment. Any impairment loss is recognized in the statement of activity.

3. Related party transactions

The World Evangelical Alliance (WEA) is the global body of Evangelical Alliances (Fellowships) that exist in each country, the EFC being one of them. The WEA and the EFC have some common directors and entered together into a joint ministry agreement in November 2007.

The amount due to/from the WEA is unsecured, non-interest bearing, and is due on demand.

In fiscal 2026, the EFC made contributions to the WEA in the amount of $571,127 (2025 - $475,036) representing restricted donations including a membership contribution of $10,000 (2025 - $10,000).

4. Investments held for Vandervelde Endowment Fund

The investments held for the Vandervelde Endowment Fund consisted of a revocable deposit agreement with Christian Stewardship Services ("CSS"). The agreement with CSS earned interest based on CSS investment pool results less an administration fee, and can be called within 60 days upon written request.

The amount was fully redeemed in fiscal 2026. The Vandervelde Endowment Fund was established by the EFC as a 10-year memorial fund. As all donations to the fund were received more than 10 years ago, the original donor-imposed restriction period has expired. During fiscal 2026, the remaining fund balance was transferred to the Unrestricted Fund, and the Vandervelde Endowment Fund was closed.

5. Long-term investments

Long-term investments consist of pooled funds as managed by a professional portfolio manager.

6. Property and equipment

	Cost	Accumulated Amortization	**2026 Net Book Value**	2025 Net Book Value
Office equipment	$ 127,115	$ 75,310	**$ 51,805**	$ 71,054
Leasehold improvements	523,150	161,030	**362,120**	413,819
Computer equipment	476,921	438,322	**38,599**	61,282
Computer software	161,744	151,939	**9,805**	23,775
	$ 1,288,930	$ 826,601	**$ 462,329**	$ 569,930

Additions to property and equipment during the fiscal year were as follows:

	2026	2025
Office equipment	**$ 820**	$ 2,636
Leasehold improvements	**-**	2,276
Computer equipment	**17,394**	34,051
Computer software	**-**	6,232
	$ 18,214	$ 45,195

7. Deferred contributions

	Balance, beginning of year	**Received**	**Recognized**	**Balance, end of year**
Lilly Phase II Grant	$ 54,743	$ -	$ (18,501)	**$ 36,242**
Website redesign and implementation	-	100,000	-	**100,000**
	$ 54,743	$ 100,000	$ (18,501)	**$ 136,242**

During fiscal 2026, the EFC received a designated donation at the amount of $100,000 for the redesign and implementation of its website. The project had not commenced as at fiscal 2026 year-end.

8. Deferred lease inducement

During May 2023, EFC entered into a ten-year lease which included a rent free period at the beginning of the lease and one month rent free for each year of the lease.

	2026	2025
Balance, beginning of the year	**$ 59,019**	$ 58,566
Increase in lease inducement	**192**	453
Balance, end of the year	**$ 59,211**	$ 59,019

9. Allocation of expenditures

General support costs were allocated as follows:

	2026	2025
Equipping and encouraging ministry leaders through networks, partnerships, consultations, forums and roundtables	**$ 541,116**	$ 577,200
Fostering and engaging in public witness, including conferences, seminars, speaking engagements, research, submissions, legal arguments and presentations	**528,350**	563,583
Facilitating growth in the Christian faith and evangelical identity through Faith Today Magazine, Canada Watch, web sites and other communications ministries	**458,789**	489,383
Fundraising and ministry advancement	**493,179**	526,066
Governance, leadership and World Evangelical Alliance support and involvement	**291,921**	311,388
	$ 2,313,355	$ 2,467,620

10. Pension plan

The EFC maintains a defined contribution pension plan for its employees. Included in the statement of activity are contributions to the plan made by the EFC of $87,801 (2025 - $89,331) during the fiscal year which are considered general support costs and allocated in Note 9. The plan calls for the employee to match the EFC's contribution so the total contributions to the registered pension plan are at least twice the amount reflected above.

11. Commitments

The EFC is committed under leasing agreements for its Ottawa office to April 2034 and its Toronto office to September 2029. Future minimum annual payments over the next five fiscal years are as follows:

2027	$ 63,702
2028	64,199
2029	67,323
2030	62,675
2031	63,067

12. Objectives, policies and processes for managing capital

The EFC's capital is comprised of the net assets invested in property and equipment, unrestricted funds and restricted funds held for endowment. The goal of the Board of Directors (the "Board") is to maintain current assets at a level sufficient to meet three months of working capital requirements, along with the funds required to finance the annual maintenance of property and equipment.

Each fiscal year, the Board reviews the annual capital maintenance and improvement plan as part of the annual plan and authorizes the funds for expenditure.

The Board invests in property and equipment in order to provide staff and constituents a friendly environment that allows for networking and team-building meetings.

Unrestricted net assets for short-term working capital requirements are held in various bank accounts, and longer term amounts are invested according to the EFC's investment policy. The Investment Committee (comprised of the President and the Executive Vice President) select and evaluate the fund managers, and the distribution of funds. The objective of the investment policy is, over the long-term, to maintain the capital of the funds after inflation. The policy allows funds to be invested in money market funds, bonds and equities in accordance with a portfolio mix reviewed routinely by the Investment Committee.

The EFC is subject to the disbursement requirements set by the Income Tax Act for Canadian charities, and as at the end of fiscal 2026, was in compliance with these requirements.

13. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

Credit risk

Credit risk is the risk of financial loss occurring as a result of a counterparty to a financial instrument failing to discharge an obligation or commitment that it has entered into with the EFC. The EFC's main credit risks relate to its accounts receivable.

The EFC reduces its exposure to credit risk by assessing credit on a regular basis and providing for an allowance for doubtful accounts when applicable. At May 31, 2026, the allowance for doubtful accounts is $Nil (2025 - $Nil).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The EFC is exposed to interest rate risk with respect to investments with fixed interest rates.

Liquidity risk

Liquidity risk is the risk that the EFC will encounter difficulty in meeting obligations associated with financial liabilities. The EFC is exposed to liquidity risk with respect to its accounts payable.

The EFC reduces its exposure to liquidity risk by ensuring that it documents when authorized payments are due and maintains adequate cash reserves to pay vendors.

Included in accounts payable and accrued liabilities are government remittances owing of $Nil (2025 - $Nil).