INTERNATIONAL TEAMS CANADA INC. >

financial statements

>YEAR ENDED DECEMBER 31, 2025

MAC LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INTERNATIONAL TEAMS CANADA INC.

financial statements

>YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of International Teams Canada Inc.:

Opinion

We have audited the financial statements of International Teams Canada Inc., the "Organization", 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 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 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 these financial statements in accordance with Canadian accounting standards for not-for-profit organization 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.

MAC LLP.

Elmira, Ontario
April 2, 2026

LICENSED PUBLIC ACCOUNTANTS
CHARTERED PROFESSIONAL ACCOUNTANTS

INTERNATIONAL TEAMS CANADA INC.

statement of financial position

>DECEMBER 31, 2025

	2025	2024
assets		
current		
Cash	$ 126,310	$ 251,876
Accounts receivable	2,565	2,565
Government remittances recoverable	8,284	-
Prepaid expenses	98,697	125,849
Due from affiliated organizations (Note 3)	98,664	87,516
	334,520	467,806
non-current		
Other investments - restricted (Note 4)	62,685	43,822
Capital assets (Note 5)	364,113	319,655
	$ 761,318	$ 831,283
liabilities		
current		
Accounts payable and accrued liabilities	$ 71,480	$ 47,848
Government remittances payable	-	3,397
Deferred contributions (Note 6)	134,311	196,740
	205,791	247,985
commitments (Note 7)		
net assets		
Endowment fund	35,000	31,250
Investment in capital assets	364,113	319,655
Programs	48,422	227,549
Unrestricted	107,992	4,844
	555,527	583,298
	$ 761,318	$ 831,283

Approved on behalf of the board:

Stuart Thomson   Christy MacDonald

Director   Director

INTERNATIONAL TEAMS CANADA INC.

statement of changes in net assets

>YEAR ENDED DECEMBER 31, 2025

	restricted for endowment purposes	invested in capital assets	programs	unrestricted	2025 total	2024 total
net assets, as previously reported	$ 31,250	$ 319,655	$ 424,289	$ 4,844	$ 780,038	$ 840,201
Prior period adjustment (Note 9)	-	-	(196,740)	-	(196,740)	(76,834)
net assets, restated	31,250	319,655	227,549	4,844	583,298	763,367
Deficiency of revenue over expenses for year	-	-	(134,274)	106,503	(27,771)	(180,069)
Amortization	-	(91,086)	90,691	395	-	-
Investment in capital assets	-	135,544	(135,544)	-	-	-
Transfers (Note 10)	3,750	-	-	(3,750)	-	-
net assets, end of year	$ 35,000	$ 364,113	$ 48,422	$ 107,992	$ 555,527	$ 583,298

INTERNATIONAL TEAMS CANADA INC.

statement of operations

>YEAR ENDED DECEMBER 31, 2025

			2025	2024
	general	**programs**	**total**	**total**
revenue				
Donations	$ 421,376	$ 1,648,922	$ 2,070,298	$ 1,688,634
Gain (Loss) on foreign exchange	44,704	(34,951)	9,753	30,181
Other income	13,236	15,095	28,331	45,623
	479,316	1,629,066	2,108,382	1,764,438
expenses				
Amortization	395	90,691	91,086	84,086
Facility	50,221	46,100	96,321	92,073
Food, accommodation and travel	11,086	456,483	467,569	364,735
Fundraising	11,775	10,651	22,426	19,960
Gifts to qualified donees	-	-	-	16,171
Office	135,631	12,726	148,357	139,146
Program development	641	248,976	249,617	194,150
Salaries and benefits	163,064	897,713	1,060,777	1,034,186
	372,813	1,763,340	2,136,153	1,944,507
deficiency of revenue over expenses for year	$ 106,503	$ (134,274)	$ (27,771)	$ (180,069)

INTERNATIONAL TEAMS CANADA INC.

statement of cash flows

>YEAR ENDED DECEMBER 31, 2025

	2025	2024
operating activities		
Deficiency of revenue over expenses for year	$ (27,771)	$ (180,069)
Adjustments for:		
Amortization	91,086	84,086
	63,315	(95,983)
Changes in non-cash working capital:		
Accounts receivable	-	(1,181)
Prepaid expenses	27,152	(42,560)
Due from affiliated organizations	(11,148)	(10,448)
Accounts payable and accrued liabilities	23,630	(20,917)
Government remittances payable	(11,681)	2,418
Deferred contributions	(62,429)	119,906
	28,839	(48,765)
investing activities		
Net change in other investments	(18,861)	124,484
Purchase of capital assets	(135,544)	(54,510)
	(154,405)	69,974
Net change in cash for the year	(125,566)	21,209
Cash balance, beginning of year	251,876	230,667
cash balance, end of year	$ 126,310	$ 251,876

1. organization

International Teams Canada Inc., the "Organization", is incorporated without share capital and is a registered charity for income tax purposes. The Organization develops, trains, supports and maintains missions and missionaries to preach, promote and advance the spiritual teaching of the Christian faith. The Organization also provides assistance in the areas of health, economic development, education and the supply of food and clothing to persons in need internationally. The Organization operates with its affiliates world wide through partnership agreements.

2. significant accounting policies

Basis of Accounting - These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Fund Accounting - The Organization maintains accounts in accordance with the principles of fund accounting. Fund balances of the Organization are classified for accounting and reporting purposes into the following funds to be used according to the directions of the donor or as determined by the Organization.

The General Fund reports the contributions received towards the operation of the Organization that have not been designated to a separate fund or project.

The Programs Fund accounts for the contributions received to be spent on the mission of the Organization.

The Endowment Fund accounts for contributions stipulating that the resources be maintained permanently. Investment income derived from these assets is to be used for training purposes.

Revenue Recognition - The Organization follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue in the General Fund and restricted contributions related to programs are recognized as revenue in the Programs Fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the General Fund in the year received. Endowment contributions are recognized as direct increases to net assets.

Other income includes registration fees, fee for service income and investment income. Registration fees are recognized as revenue when the related event takes place. Fee for service income is recognized when the related services are provided. Investment income is recognized as earned.

Financial Instruments
Initial measurement - The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Organization in the transaction.

Subsequent measurement - The Organization subsequently measures all its financial assets and financial liabilities originated or exchanged in arm's length transactions at amortized cost. Financial assets and financial liabilities originated in related party transactions are subsequently measured at cost. Any reduction for impairment is recognized in net income, in the period incurred.

Financial assets measured at amortized cost include cash, accounts receivable and due from affiliated organizations.

The Organization's financial assets measured at fair value include other investments - restricted.

Transaction costs - The Organization recognizes its transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at costs or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight line method.

Impairment - For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than 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 net income.

Capital Assets and Amortization - Capital assets are recorded at cost. Amortization is provided in the accounts using the following methods and annual rates:

Asset	Method	Rate
Buildings in field	Straight line	10 %
Office furniture	Straight line	20 %
Vehicles	Straight line	30 %
Computer equipment	Straight line	25 %
Software	Straight line	100 %
Leasehold improvements	Straight line	20 %

Freehold land is not amortized. Capital assets acquired for new projects are amortized at one half the above annual rates.

Contributed Materials and Services - The Organization is dependent upon many hours of service contributed by volunteers. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

Cloud Computing Arrangements - At the inception of a cloud computing arrangement, the Organization allocates the consideration to significant separable elements based on their specific sales price. Development costs and costs related to the right to use a tangible asset are recognized according to the applicable accounting policies for such elements.

To account for expenditures in a cloud computing arrangement that fall within the scope of AcG-20, Customer's Accounting for Cloud Computing Arrangements, the Organization has opted for the simplification approach. Accordingly, such expenditures are treated as the supply of services and recognized as an expense when the services are received. These expenses are presented under the "Office" line on the income statement.

The Organization recognizes prepayments as an asset when payments are made in advance for services not yet received. These prepayments are subsequently expensed as the services are consumed.

Costs related to implementation activities, including configuration and customization, are expensed as incurred unless they meet the criteria for capitalization under other applicable accounting standards.

Disclosure and 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known. During the year, gifts in kind were received and the monetary value estimated based on market conditions.

Estimates are used when accounting for certain items such as useful lives of capital assets.

3. due from affiliated organizations

Amounts due from affiliated organizations are non-interest bearing and have no fixed repayment terms. The balance relates to joint program activities and designated donations received by affiliated organizations on behalf of the Organization. The full amount outstanding was collected subsequent to year end, and no collectibility concerns exist.

4. other investments - restricted

The major categories of other investments are as follows:

	2025	2024
DSL - CAD cash account, $35,000 endowment capital	$ 35,188	$ -
DSL - USD cash account (CAD-equivalent)	27,497	-
Abundance Canada - pooled investment, restricted for endowment purposes	-	31,250
Investia Financial Services Inc. - mutual funds, at fair value	-	12,572
	$ 62,685	$ 43,822

During the year, the Organization transferred its investments from Abundance Canada and Investia Financial Services Inc. into the DSL managed accounts. All investments are carried at fair value.

5. capital assets

	cost	accumulated amortization	net 2025	net 2024
Land and buildings in field	$ 815,135	$ 515,982	$ 299,153	$ 319,655
Office furniture	33,760	33,760	-	-
Vehicles	225,217	161,184	64,033	-
Computer equipment	11,308	10,381	927	-
Software	14,267	14,267	-	-
Leasehold improvements	167,080	167,080	-	-
	$ 1,266,767	$ 902,654	$ 364,113	$ 319,655

6. deferred contributions

	balance, beginning of the year	donations received	recognized as income	balance, end of the year
Team trips in future years	$ 196,740	$ 163,967	$ (226,396)	$ 134,311

7. commitments

The Organization is obligated under a leasing contract for the premises from which it operates. The lease expires in 2033 and the future minimum lease payments are as follows:

2026	$ 35,143
2027	$ 37,968
2028	$ 39,381
2029	$ 40,793
2030	$ 42,206
thereafter	$ 135,092
	$ 330,583

8. international operations, assets and measurement uncertainty

The international operations of the Organization are carried on by employees of the Organization through partnership and agency agreements. The Organization has consistently followed the policy of expensing most costs for international operations, property and equipment. This policy is based upon the practice that such assets, while generally redeployable under the direction of the Organization, are not always accessible for redeployment due to foreign property regulations, international fund transfer and foreign currency exchange limitations.

During the year, the Organization contributed $Nil (2024 - $881) to One Collective (formerly known as International Teams US). These contributions were applied towards the cost of foreign missionaries carrying out the mandate of the Organization.

9. prior period adjustment

Revenue recognized in prior years was overstated due to premature recognition of deferred contributions. As a result of this correction, opening deferred contributions at January 1, 2024 increased by $76,833, with a correcponding decrease in net assets. The $76,833 was released into donation revenue in the year ended December 31, 2024 to match the related expenditures. Also in the year ended December 31, 2024 donations of $196,740 were deferred to future years to match expenditures, with donation revenue decreasing and deferred contributions increasing by that amount. The net impact on the comparative figures is to decrease donation revenue by $119,906 and decrease net asset by the same amount.

10. interfund transfers

The organizations management carried out the following interfund transfers in the year:
Transfer from the general fund to the endowment fund to restore a previous capital loss on the endowment fund: $3,750 (Nil in 2024).

11. financial instruments

Risk Management - The significant risks to which the Organization is exposed are currency risk, liquidity risk and market risk. There has been no change to the risk exposures from the prior year.

Currency Risk - Some assets, liabilities, revenues and expenses are exposed to foreign exchange fluctuations. As at December 31, 2025, cash and due from affiliated organizations of $1,373 and $98,664 respectively (2024 - $36,948 and $87,516) are denominated in US dollars.

Liquidity Risk - Liquidity risk is the risk that the Organization will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Organization's cash requirements.

Market Risk - The Organization's investment portfolio may include publicly-traded securities, mutual funds and other market-based instruments, which expose the Organization to price risk. Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, equity market fluctuations and other relevant market rate or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the underlying assets are traded. At year end, the portfolio was held in cash, however, the Organization remains subject to market risk based on its investment policies.