IMPACTHOPE

INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
ImpactHope
Guelph, Ontario

Qualified Opinion

We have audited the financial statements of ImpactHope, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2025, and 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 Qualified Opinion

In common with many not-for-profit organizations, the organization derives some of its revenue from cash sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, net excess (deficiency) of revenues over expenditures and cash flows from operations for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at January 1 and December 31 for both the 2025 and 2024 years. The audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation 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.

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Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

Other Matter:

The financial statements of ImpactHope for the year ended December 31, 2024, were audited by another firm of Chartered Professional Accountants who expressed an qualified opinion on May 6, 2025 as the organization derives some of its revenues from cash sources, the completeness of which is not susceptible to audit verification.

Baker Tilly GWD LLP

Guelph, Ontario
June 26, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

IMPACTHOPE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	General Fund	Total Project Funds	Total 2025	Total 2024
ASSETS				
CURRENT ASSETS				
Cash	$ 16,971	$ 226,376	$ 243,347	$ 291,430
Short term investments		48,689	48,689	56,230
Accounts receivable	1,103	616	1,719	27,335
Inventory		95,808	95,808	131,664
Prepaid expenses	8,636	6,008	14,644	54,661
Loan receivable (Note 3)	130,000		130,000	130,000
	156,710	377,497	534,207	691,320
CAPITAL ASSETS (Note 4)		30,257	30,257	43,224
	156,710	407,754	564,464	734,544
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	23,599	212	23,811	27,588
Deferred contributions (Note 5)		339,475	339,475	473,876
	23,599	339,687	363,286	501,464
FUND BALANCES	133,111	68,067	201,178	233,080
	156,710	407,754	564,464	734,544

APPROVED ON BEHALF OF THE BOARD

Management: Brian Li

Director: Brad Wilson

IMPACTHOPE
STATEMENT OF CHANGES IN NET ASSETS
AS AT DECEMBER 31, 2025

	General Fund	Total Project Funds	Total 2025	Total 2024
NET ASSETS, BEGINNING	$ 117,530	$ 115,550	$ 233,080	$ 206,564
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,581	(47,483)	(31,902)	26,516
NET ASSETS, ENDING	133,111	68,067	201,178	233,080

IMPACTHOPE
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2025

	General Fund	Total Project Funds	Total 2025	Total 2024
REVENUE				
Donations (Note 6)	$ 74,305	$1,256,825	$1,331,130	$1,328,692
Interest and other income	10,265		10,265	4,340
Fees received	173,740	(173,740)		
	258,310	1,083,085	1,341,395	1,333,032
EXPENDITURES				
Projects		688,265	688,265	594,373
Gifts in kind (Note 6)		167,856	167,856	147,689
Missionary support and remittances		124,554	124,554	124,644
Wages and benefits	109,589		109,589	99,943
Team expenses		80,466	80,466	108,357
Travel	6,372	61,947	68,319	94,391
Subcontracting	48,576		48,576	51,412
Professional fees (Note 7)	36,386		36,386	30,855
Office	21,027		21,027	21,784
Amortization		12,967	12,967	7,628
Rent	6,623		6,623	6,405
Bank charges	6,505	49	6,554	9,185
Insurance	3,448		3,448	3,325
Postage	3,136		3,136	2,107
School and feeding centre support		2,280	2,280	7,158
Telephone	1,067		1,067	1,269
	242,729	1,138,384	1,381,113	1,310,525
SURPLUS (DEFICIT) BEFORE FOREIGN EXCHANGE	15,581	(55,299)	(39,718)	22,507
Foreign exchange gain		7,816	7,816	4,009
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	15,581	(47,483)	(31,902)	26,516

IMPACTHOPE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

	2025	2024
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenditures	$ (31,902)	$ 26,516
Adjustments for items not requiring cash:		
Amortization	12,967	7,628
	(18,935)	34,144
Increase (decrease) in non-cash working capital items		
Accounts receivable	25,616	80,341
Inventory	35,856	16,025
Prepaid expenses	40,017	(39,992)
Accounts payable and accrued liabilities	(3,777)	(18,180)
Deferred contributions	(134,401)	(79,188)
	(55,624)	(6,850)
INVESTING ACTIVITIES		
Acquisition of capital assets		(50,852)
Acquisition of short term investments		(56,230)
Disposition of short term investments	7,541	0
	7,541	(107,082)
DECREASE IN CASH	(48,083)	(113,932)
CASH - BEGINNING OF YEAR	291,430	405,362
CASH - END OF YEAR	243,347	291,430

1. STATUS AND NATURE OF ACTIVITIES

ImpactHope is a not-for-profit organization incorporated under the laws of Ontario without share capital and is a registered charity under the Income Tax Act. ImpactHope is exempt from income tax. Its purpose is to promote and teach the gospel of Jesus Christ to the world by facilitating missionary work through local church support, and to commission and ordain ministers.

Effective November 23, 2023, the organization changed its legal name to ImpactHope (previously Missionary Ventures Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) in accordance with Canadian generally accepted accounting principles (GAAP).

(b) FUND ACCOUNTING

General Operating Fund:

The general operating fund reports resources available for the organization's general operating activities.

Internally Restricted Project Funds:

The internally restricted project funds report donations received for specific projects and their related expenditures. At the completion of the project, excesses of either revenues or expenditures may be transferred to the general fund.

(c) INVENTORY

Supplies inventory are measured at the lower of cost and net realizable value, with cost being determined on a first-in-first-out (FIFO) basis.

(d) INVESTMENTS

The organization accounts for its investments at cost less any reduction for impairment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES , continued

(e) CAPITAL ASSETS

Tangible capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Vehicles	- 30% declining balance basis

Amortization is recorded at 50% of the above rates in the year of addition.

(f) IMPAIRMENT OF LONG LIVED ASSETS

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(g) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include inventory donated to the organization and the useful life of capital assets. Actual results could differ from these estimates.

(h) FINANCIAL INSTRUMENTS

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Impairment:

At the end of each reporting period, the organization assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. If there are indicators of impairment, and the organization determines there has been a significant adverse change in the expected amount or timing of future cash flows, an impairment is recognized. If circumstances change, a previously recognized impairment may be reversed.

Transaction costs:

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their organization, issuance or assumption.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES , continued

(i) REVENUE RECOGNITION

The organization follows the restricted fund method of accounting for contributions in which externally restricted contributions are recognized upon receipt in the appropriate fund corresponding to the purpose for which they were contributed. Externally restricted contributions of the general operating fund are recognized as revenue when the related expenditure occurs. Unrestricted contributions are recognized in the general operating fund when received or receivable and collection is reasonably assured.

(j) CONTRIBUTED MATERIALS AND SERVICES

Contributed materials are recognized as revenue when received if the fair value can be reasonably determined and the material would otherwise have been purchased for use in the Organization's operations. When fair value cannot be reasonably estimated, the contributed materials are not recognized.

Volunteers contribute many hours per year to assist the organization in carrying out its activities. Due to the difficulty of determining the fair value of contributed time, contributed services are not recognized in the financial statements.

3. LOAN RECEIVABLE

The organization entered into a charitable variable rate loan agreement with Link Charity Canada Inc. (Link Charity), effective April 1, 2022. The rate of return is set by the Board of Directors of Link Charity and was 3.75% as at December 31, 2025. Excess income less 0.5% administration fee is donated back to the organization annually.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	**2025** Net Book Value	**2024** Net Book Value
Vehicles	50,852	20,595	30,257	43,224

5. DEFERRED CONTRIBUTIONS

Deferred contributions, which consist of the unspent portion of project and bequest revenue received that relates to future periods less related expenditures, is as follows:

	2025	2024
Balance, beginning	$ 473,876	$ 553,064
Contributions	169,281	988,859
Amounts recognized as income during the year	(303,682)	(1,068,047)
Balance, ending	339,475	473,876

6. CONTRIBUTED MATERIALS AND SERVICES

The organization has recognized the following contributed material and services in its financial statements, initially recorded as an increase to inventory.

	2025	2024
Contributed materials - P&G Purifier of Water Packets	132,000	131,664

Gifts in kind expense represents the value of this inventory utilized during the year.

7. RELATED PARTY TRANSACTIONS

During the year, bookkeeping fees were paid to a company owned by a director for total consideration of $19,436 ($15,600 in 2024).

8. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of which the organization's exposure to these risks did not change in 2025 compared to the previous period.

The organization does not have a significant exposure to any individual customer or counterpart.

Transacting in financial instruments exposes the organization to certain financial risks and uncertainties. These risks include:

Market risk

Market risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of the changes in market prices. Some of the company's financial instruments expose it to this risk, which comprises currency risk, interest rate risk and other price risk.

Currency risk

The currency risk refers to the risk that the fair value of the financial instruments or future cash flows associated with them will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The organization is exposed to currency rate risk on United States cash account balances in the amount of $14,019 ($54,042 in 2024), United States short term investments of $48,689 ($56,230 in 2024) and on other foreign cash account balances in the amount of $297 ($370 in 2024).