

**The Christian Reformed Church in
North America - Canada Corporation**
Financial Statements
For the year ended June 30, 2024

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North America - Canada Corporation**
Financial Statements
For the year ended June 30, 2024

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Independent Auditor's Report

To the Board of Directors of The Christian Reformed Church in North America - Canada Corporation

Qualified Opinion

We have audited the financial statements of The Christian Reformed Church in North America - Canada Corporation (the "Organization"), which comprise the statement of financial position as at June 30, 2024, and the statements of activities and changes in net assets, functional expenses 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 possible 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 June 30, 2024, 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 Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenue and other support, excess of revenue over expenses, and cash flows from operations for the years ended June 30, 2024 and 2023 current assets as at June 30, 2024 and 2023 and net assets as at July 1 and June 30 for both the June 30, 2024 and 2023 years. Our audit opinion on the financial statements for the year ended June 30, 2023 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 *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 qualified audit 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 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
October 30, 2024

**The Christian Reformed Church in North America -
Canada Corporation
Statement of Financial Position**

June 30, 2024

| | Unrestricted | Restricted - Youth Ministries | Restricted - Resonate Global Mission | Total |
|--------------------------------|----------------------|-------------------------------------|--|----------------------|
| Assets | | | | |
| Current | | | | |
| Cash | \$ 6,227,987 | \$ 220,830 | \$ 4,741,741 | \$ 11,190,558 |
| Investments (Note 2) | 31,251,935 | - | 377,042 | 31,628,977 |
| Accounts receivable | 123,068 | 6,120 | 20,756 | 149,944 |
| Prepaid expenses | 20,551 | - | 5,370 | 25,921 |
| | 37,623,541 | 226,950 | 5,144,909 | 42,995,400 |
| Capital assets (Note 4) | 2,362,009 | - | - | 2,362,009 |
| | \$ 39,985,550 | \$ 226,950 | \$ 5,144,909 | \$ 45,357,409 |

Liabilities and Net Assets

| | | | | |
|---|----------------------|-------------------|---------------------|----------------------|
| Current | | | | |
| Accounts payable and accrued liabilities | \$ 601,491 | \$ 63,552 | \$ 690,600 | \$ 1,355,643 |
| Due to related parties (Note 3) | 3,158,421 | - | 932,222 | 4,090,643 |
| Bank loan (Note 2) | 31,345,614 | - | - | 31,345,614 |
| | 35,105,526 | 63,552 | 1,622,822 | 36,791,900 |
| Net assets (Note 5) | 4,880,024 | 163,398 | 3,522,087 | 8,565,509 |
| | \$ 39,985,550 | \$ 226,950 | \$ 5,144,909 | \$ 45,357,409 |

On behalf of the Board:



Director



Director

**The Christian Reformed Church in North America -
Canada Corporation
Statement of Financial Position**

June 30, 2023

| | Unrestricted | Restricted - Youth Ministries | Restricted - Resonate Global Mission | Total |
|---|---------------|-------------------------------------|--|---------------|
| Assets | | | | |
| Current | | | | |
| Cash | \$ 5,971,832 | \$ 161,163 | \$ 5,357,896 | \$ 11,490,891 |
| Investments (Note 2) | 29,266,434 | - | 361,400 | 29,627,834 |
| Accounts receivable | 145,431 | - | 28,963 | 174,394 |
| Prepaid expenses | 21,311 | - | 11,606 | 32,917 |
| | 35,405,008 | 161,163 | 5,759,865 | 41,326,036 |
| Capital assets (Note 4) | 2,523,575 | - | - | 2,523,575 |
| | \$ 37,928,583 | \$ 161,163 | \$ 5,759,865 | \$ 43,849,611 |
| Liabilities and Net Assets | | | | |
| Current | | | | |
| Accounts payable and accrued liabilities | \$ 528,127 | \$ 8,223 | \$ 619,159 | \$ 1,155,509 |
| Due to related parties (Note 3) | 3,396,549 | - | 472,775 | 3,869,324 |
| Bank loan (Note 2) | 30,618,150 | - | - | 30,618,150 |
| | 34,542,826 | 8,223 | 1,091,934 | 35,642,983 |
| Net assets (Note 5) | 3,385,757 | 152,940 | 4,667,931 | 8,206,628 |
| | \$ 37,928,583 | \$ 161,163 | \$ 5,759,865 | \$ 43,849,611 |

The accompanying notes are an integral part of these financial statements.

**The Christian Reformed Church in North America -
Canada Corporation
Statement of Activities and Changes in Net Assets**

For the year ended June 30, 2024

| | Unrestricted | Restricted - Youth Ministries | Restricted - Resonate Global Mission | Total |
|---|---------------------|-------------------------------------|--|---------------------|
| Revenue and other support | | | | |
| Denominational ministry shares | \$ 3,624,868 | \$ - | \$ 1,388,390 | \$ 5,013,258 |
| Coordinated equipment usage, materials and service revenue | 2,335,386 | - | - | 2,335,386 |
| Investment income, net | 1,422,830 | 3,407 | 124,063 | 1,550,300 |
| Contributions from churches, agencies, and individuals | 633,595 | 4,000 | - | 637,595 |
| Qualified donees | 2,749,166 | - | - | 2,749,166 |
| Gifts and offerings | | | | |
| Missionary and program support | - | - | 1,770,402 | 1,770,402 |
| Estates | 102,300 | - | 371,823 | 474,123 |
| General | - | - | 1,041,935 | 1,041,935 |
| Grants | 41,815 | - | 13,645 | 55,460 |
| Other | 509,976 | 82,190 | 109,466 | 701,632 |
| | 11,419,936 | 89,597 | 4,819,724 | 16,329,257 |
| Expenses | | | | |
| Program services | | | | |
| Central support services | 2,335,385 | - | - | 2,335,385 |
| Office of General Secretary | 1,216,307 | - | - | 1,216,307 |
| Canadian ministries | 1,570,345 | - | - | 1,570,345 |
| Youth ministries | - | 79,139 | - | 79,139 |
| Thrive | 1,103,088 | - | - | 1,103,088 |
| Qualified donees | 2,770,618 | - | - | 2,770,618 |
| Resonate Global Mission | - | - | 5,965,568 | 5,965,568 |
| Total program services | 8,995,743 | 79,139 | 5,965,568 | 15,040,450 |
| Support services | | | | |
| Management and general | 567,686 | - | - | 567,686 |
| Resource development | 362,240 | - | - | 362,240 |
| Total support services | 929,926 | - | - | 929,926 |
| | 9,925,669 | 79,139 | 5,965,568 | 15,970,376 |
| Excess (deficiency) of revenue and other support over expenses | 1,494,267 | 10,458 | (1,145,844) | 358,881 |
| Net assets, beginning of year | 3,385,757 | 152,940 | 4,667,931 | 8,206,628 |
| Net assets, end of year | \$ 4,880,024 | \$ 163,398 | \$ 3,522,087 | \$ 8,565,509 |

The accompanying notes are an integral part of these financial statements.

**The Christian Reformed Church in North America -
Canada Corporation
Statement of Activities and Changes in Net Assets**

For the year ended June 30, 2023

| | Unrestricted | Restricted - Youth Ministries | Restricted - Resonate Global Mission | Total |
|---|---------------------|-------------------------------------|--|---------------------|
| Revenue and other support | | | | |
| Denominational ministry shares | \$ 3,052,615 | \$ - | \$ 1,778,204 | \$ 4,830,819 |
| Coordinated equipment usage, materials and service revenue | 2,165,550 | - | - | 2,165,550 |
| Investment income, net | 66,256 | 4,174 | 148,860 | 219,290 |
| Contributions from churches, agencies, and individuals | 635,210 | - | - | 635,210 |
| Qualified donees | 2,225,004 | - | - | 2,225,004 |
| Gifts and offerings | | | | |
| Missionary and program support | - | - | 1,742,166 | 1,742,166 |
| Estates | 42,000 | - | 497,198 | 539,198 |
| General | - | - | 944,639 | 944,639 |
| Grants | 143,425 | - | 5,050 | 148,475 |
| Other | 1,025,210 | 2,500 | 82,202 | 1,109,912 |
| | <u>9,355,270</u> | <u>6,674</u> | <u>5,198,319</u> | <u>14,560,263</u> |
| Expenses | | | | |
| Program services | | | | |
| Central support services | 2,173,215 | - | - | 2,173,215 |
| Office of General Secretary | 1,410,611 | - | - | 1,410,611 |
| Justice and Mercy | 1,308,182 | - | - | 1,308,182 |
| Youth ministries | - | 4,285 | - | 4,285 |
| Congregational ministries | 1,656,949 | - | - | 1,656,949 |
| Qualified donees | 2,218,950 | - | - | 2,218,950 |
| Resonate Global Mission | - | - | 4,718,200 | 4,718,200 |
| Total program services | <u>8,767,907</u> | <u>4,285</u> | <u>4,718,200</u> | <u>13,490,392</u> |
| Support services | | | | |
| Management and general | 532,919 | - | - | 532,919 |
| Resource development | 128,148 | - | - | 128,148 |
| Total support services | <u>661,067</u> | <u>-</u> | <u>-</u> | <u>661,067</u> |
| | <u>9,428,974</u> | <u>4,285</u> | <u>4,718,200</u> | <u>14,151,459</u> |
| Excess (deficiency) of revenue and other support over expenses | (73,704) | 2,389 | 480,119 | 408,804 |
| Net assets , beginning of year | 3,459,461 | 150,551 | 3,920,376 | 7,530,388 |
| Adjustment to beginning net assets (Note 1) | - | - | 267,436 | 267,436 |
| Net assets , end of year | <u>\$ 3,385,757</u> | <u>\$ 152,940</u> | <u>\$ 4,667,931</u> | <u>\$ 8,206,628</u> |

The accompanying notes are an integral part of these financial statements.

The Christian Reformed Church in North America - Canada Corporation
Schedule of Functional Expenses
(Unaudited)

For the year ended June 30, 2024

| | Program Services | | | | | | Support Services | | | Total |
|------------------------------------|------------------------------------|-----------------------------|---------------------|------------------|---------------------|---------------------|-------------------------|------------------------|----------------------|---------------------|
| | Allocated Central Support Services | Office of General Secretary | Canadian Ministries | Youth Ministries | Thrive | Qualified Donees | Resonate Global Mission | Management and General | Resource Development | |
| Expenses | | | | | | | | | | |
| Salaries | \$ 1,216,082 | \$ 337,763 | \$ 686,058 | \$ - | \$ 277,845 | \$ - | \$ 1,691,849 | \$ 208,401 | \$ 182,382 | \$ 4,600,380 |
| Employee benefits | 301,500 | 81,120 | 154,567 | - | 64,431 | - | 458,818 | 46,417 | 37,905 | 1,144,758 |
| Communications | 245 | 360 | 5,698 | - | 1,397 | - | 3,184 | 818 | 17,307 | 29,009 |
| Advertising and promotion | - | 1,632 | 3,453 | - | 778 | - | 2,531 | 2,923 | 1,796 | 13,113 |
| Mailing | 24,053 | 99,491 | 18,043 | - | 5,012 | - | 39,519 | 410 | 5,159 | 191,687 |
| Travel | 6,557 | 73,460 | 63,518 | - | 35,553 | - | 370,545 | 7,128 | 29,280 | 586,041 |
| Dues and subscriptions | 850 | 4,462 | 2,056 | - | 52 | - | 5,189 | 3,440 | 1,523 | 17,572 |
| Insurance | 11,954 | - | - | - | - | - | - | - | - | 11,954 |
| Interest and bank fees | 6,897 | - | 5,218 | 2,195 | 1 | - | 17,410 | - | 598 | 32,319 |
| Legal and professional | 374 | - | - | - | - | - | 40,436 | 21,271 | 20,265 | 82,346 |
| Telecommunications | 58,753 | 2,471 | 5,486 | - | 3,295 | - | 11,904 | 887 | 1,170 | 83,966 |
| Other office costs (recovery) | 68,479 | - | 9,083 | 31 | - | (2,949) | 5,324 | 15,978 | 1,421 | 97,367 |
| Repairs and maintenance | 68,558 | - | - | - | - | - | - | - | - | 68,558 |
| Software | 31,117 | 171 | 6,082 | - | 7,346 | - | 19,946 | 17,075 | 5,916 | 87,653 |
| Utilities | 34,526 | - | - | - | - | - | - | - | - | 34,526 |
| Contracted Services | 42,564 | 29,400 | 1,315 | 17,475 | 6,907 | - | 312,698 | - | 25,186 | 435,545 |
| Amortization | 181,401 | - | - | - | - | - | - | - | - | 181,401 |
| Supplies | 40,875 | 12 | 1,443 | 2,500 | 1,080 | - | - | 2,105 | 3,220 | 51,235 |
| Training and conferences | 5,216 | 1,630 | 14,145 | 56,938 | 2,708 | - | 47,658 | 1,970 | 1,819 | 132,084 |
| Gifts to qualified donees | - | - | - | - | - | 2,078,916 | - | - | - | 2,078,916 |
| Grants | 100 | 11,250 | 399,545 | - | - | - | 627,306 | - | 4,250 | 1,042,451 |
| Other expenses | - | 1,262 | - | - | 241 | - | 14,623 | - | - | 16,126 |
| Cost sharing - US (recovery) | - | 454,213 | (137) | - | 571,383 | - | 1,857,485 | - | - | 2,882,944 |
| Total | 2,100,101 | 1,098,697 | 1,375,573 | 79,139 | 978,029 | 2,075,967 | 5,526,425 | 328,823 | 339,197 | 13,901,951 |
| Allocated central support services | 235,284 | 117,610 | 194,772 | - | 125,059 | 694,651 | 439,143 | 238,863 | 23,043 | 2,068,425 |
| Total expenses | \$ 2,335,385 | \$ 1,216,307 | \$ 1,570,345 | \$ 79,139 | \$ 1,103,088 | \$ 2,770,618 | \$ 5,965,568 | \$ 567,686 | \$362,240 | \$15,970,376 |

The Christian Reformed Church in North America - Canada Corporation
Schedule of Functional Expenses
(Unaudited)

For the year ended June 30, 2023

| | Program Services | | | | | Support Services | | | | | Total |
|------------------------------------|------------------------------------|-----------------------------|---------------------|------------------|---------------------------|---------------------|-------------------------|------------------------|----------------------|----------------------|-------|
| | Allocated Central Support Services | Office of General Secretary | Justice and Mercy | Youth Ministries | Congregational Ministries | Qualified Donees | Resonate Global Mission | Management and General | Resource Development | | |
| Expenses | | | | | | | | | | | |
| Salaries | \$ 1,153,294 | \$ 333,849 | \$ 572,209 | \$ - | \$ 529,848 | \$ - | \$ 1,526,397 | \$ 201,864 | \$ 54,971 | \$ 4,372,432 | |
| Employee benefits | 264,964 | 75,362 | 125,575 | - | 125,767 | - | 491,042 | 40,735 | 12,981 | 1,136,426 | |
| Communications | 454 | 1,210 | 4,743 | - | 10,045 | - | 3,063 | 884 | 1,834 | 22,233 | |
| Advertising and promotion | 4 | 2,645 | 1,928 | - | 4,432 | - | 1,984 | 2,145 | - | 13,138 | |
| Mailing | 25,668 | 96,982 | 751 | - | 32,592 | - | 32,321 | 956 | 2,327 | 191,597 | |
| Travel | 13,725 | 97,099 | 34,588 | - | 68,671 | - | 282,144 | 15,748 | 1,148 | 513,123 | |
| Dues and subscriptions | 3,159 | 22,194 | 1,630 | - | 2,242 | - | 9,387 | 4,183 | 4,051 | 46,846 | |
| Insurance | 12,593 | - | - | - | - | - | - | - | - | 12,593 | |
| Interest and bank fees | 7,148 | 20 | 1,017 | 1,085 | 5,439 | - | 16,366 | 487 | 646 | 32,208 | |
| Legal and professional | 45,596 | 32,577 | 8,656 | 2,000 | 21,048 | - | 364,571 | 36,587 | 19,503 | 530,538 | |
| Telecommunications | 71,850 | 2,576 | 3,848 | - | 5,830 | - | 14,526 | 1,252 | 784 | 100,666 | |
| Other office costs (recovery) | 102,785 | 454 | 11,664 | 1,200 | 12,513 | (3,450) | 18,617 | 24,419 | 3,852 | 172,054 | |
| Repairs and maintenance (recovery) | 61,867 | - | - | - | - | - | (61) | - | - | 61,806 | |
| Software | 63,690 | 415 | 4,503 | - | 9,563 | - | 28,816 | 1,929 | 2,393 | 111,309 | |
| Utilities | 39,161 | - | - | - | - | - | - | - | - | 39,161 | |
| Amortization | 198,472 | - | - | - | - | - | - | - | - | 198,472 | |
| Supplies | - | - | - | - | - | - | 12,380 | - | - | 12,380 | |
| Training and conferences | 2,832 | 300 | 165,461 | - | 6,180 | - | 74,017 | 809 | - | 249,599 | |
| Gifts to qualified donees | - | - | - | - | - | 2,222,400 | - | - | - | 2,222,400 | |
| Grants | - | 5,500 | 334,581 | - | 19,548 | - | 851,672 | - | - | 1,211,301 | |
| Cost sharing - US | - | 711,856 | - | - | 511,292 | - | 526,595 | - | - | 1,749,743 | |
| Total | 2,067,262 | 1,383,039 | 1,271,154 | 4,285 | 1,365,010 | 2,218,950 | 4,253,837 | 331,998 | 104,490 | 13,000,025 | |
| Allocated central support services | 105,953 | 27,572 | 37,028 | - | 291,939 | - | 464,363 | 200,921 | 23,658 | 1,151,434 | |
| Total expenses | \$ 2,173,215 | \$ 1,410,611 | \$ 1,308,182 | \$ 4,285 | \$ 1,656,949 | \$ 2,218,950 | \$ 4,718,200 | \$ 532,919 | \$ 128,148 | \$ 14,151,459 | |

**The Christian Reformed Church in North America -
Canada Corporation
Statement of Cash Flows**

| For the year ended June 30 | 2024 | 2023 |
|---|----------------------|----------------------|
| Cash flows from operating activities | | |
| Excess of revenue and other support over expenses | \$ 358,881 | \$ 408,804 |
| Adjustments to reconcile excess of revenue and other support over expenses to net cash provided by operating activities | | |
| Amortization of capital assets | 181,401 | 198,472 |
| Unrealized foreign exchange gain on due to related parties | 15,941 | 759 |
| Unrealized gain on investments | 1,985,501 | (636,797) |
| Changes in non-cash working capital balances | | |
| Accounts receivable | 24,450 | 50,657 |
| Prepaid expenses | 6,996 | (7,144) |
| Accounts payable and accrued liabilities | 200,134 | (91,873) |
| Due to related parties | 205,378 | 1,215,922 |
| | 2,978,682 | 1,138,800 |
| Cash flows from investing activities | | |
| Purchase of capital assets | (19,835) | - |
| Purchase of investments | (45,692,581) | (18,960,570) |
| Sale of investments | 41,705,937 | 18,529,663 |
| | (4,006,479) | (430,907) |
| Cash flows from financing activity | | |
| Advances from bank loan | 727,464 | 1,049,798 |
| Net (decrease) increase in cash | (300,333) | 1,757,691 |
| Cash, beginning of year | 11,490,891 | 9,733,200 |
| Cash, end of year | \$ 11,190,558 | \$ 11,490,891 |

The accompanying notes are an integral part of these financial statements.

The Christian Reformed Church in North America - Canada Corporation Notes to Financial Statements

June 30, 2024

1. Significant Accounting Policies

Nature of Organization

The Christian Reformed Church in North America - Canada Corporation (the "Organization") is incorporated under the Canada Not-for-Profit Corporations Act as a not-for-profit corporation without share capital and is a registered charity under the Income Tax Act. The purpose of the Organization is to conduct ministry and provide administrative services for the CRCNA denominational ministries.

On July 1, 2023, the Organization combined with Raise Up to collectively improve operational efficiencies. The combination is accounted for as a merger in accordance with Canadian accounting standards for not-for-profit organizations. The combined entity operates under the Christian Reformed Church in North America - Canada Corporation. The prior year comparative figures show the aggregated results of the combined entity for the year ended June 30, 2023.

Basis of Accounting

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Fund Accounting

The Organization follows the Restricted Fund method of accounting for contributions. The Organization ensures, as part of its fiduciary responsibilities, all funds received with a restricted purpose are expensed for that purpose.

For financial reporting purposes, the accounts have been classified into the following funds:

Restricted Funds

The restricted funds are used to account for revenue and expenses relating to the Ontario Youth Ministry ("Youth Ministry") and Resonate Global Mission.

Unrestricted Fund

The unrestricted fund is used to account for day-to-day operations of the Organization.

The Christian Reformed Church in North America - Canada Corporation Notes to Financial Statements

June 30, 2024

1. Significant Accounting Policies

Basis of Reporting

These financial statements include the accounts of the Christian Reformed Church in North America – Canada Corporation, the centralized support services and Resonate Global Mission. Income received from Canadian churches and members is used for the following purposes:

Canadian Ministries

- Bridge App
- Indigenous Ministries
- Intercultural Ministry
- Social Justices

Office of General Secretary

- Candidacy
- Council of Delegates
- Synod
- The Banner

Thrive

- Chaplaincy and Care
- Disability Concerns
- Faith Formation
- Pastor-Church Resources
- Race Relations
- Safe Church
- Worship
- Youth Ministries

Resonate Global Mission

- Campus Ministry
- Church Planting
- Global Coffee Break
- Intercultural Missions
- International Ministry
- Leadership Training

The support income received is recorded as the donations are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured

The Christian Reformed Church in North America - Canada Corporation Notes to Financial Statements

June 30, 2024

1. Significant Accounting Policies (Continued)

Revenue Recognition

Contributions are recorded as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Due to the difficulty in determining their value and in that they would otherwise not have been purchased, contributed services are not recognized in the financial statements.

The Organization has not received any unconditional promises to give.

Foreign Currency Translation

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date and the resulting foreign exchange gains and losses are included in income in the current period. Foreign exchange losses of \$Nil (2023 - \$107) are included in other income. Unrealized foreign exchange losses of \$15,941 (2023 - \$759) are included within the cost sharing expenses.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided over the estimated useful life using the straight-line basis as follows:

| | | |
|-------------------------|---|--------------|
| Building | - | 40 years |
| Building improvements | - | 20 years |
| Computer equipment | - | 3 to 5 years |
| Automotive equipment | - | 5 years |
| Machinery and equipment | - | 10 years |

Pensions

The Organization contributes to a multi-employer defined benefit pension plan on behalf of ordained ministers. Other participants in this plan include related organizations. Since sufficient information is not available to use defined benefit accounting, the Organization accounts for the plan as if it were a defined contribution plan, recognizing contributions as an expense in the year to which they relate.

The Organization also maintains a defined contribution pension plan for non-ordained employees.

The Christian Reformed Church in North America - Canada Corporation

Notes to Financial Statements

June 30, 2024

1. Significant Accounting Policies (Continued)

Disclosure of Allocated Expenses

The Organization engages in program and support services. The cost of each program or support service includes salaries, employee benefits, supplies and other expenses that are directly related to each program or support service. Salaries and employee benefits that relate to more than one program are allocated between departments. All allocations are based on an estimate of time in each function.

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 date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial Instruments

Financial instruments are recorded at fair value at initial recognition. The investments are recorded at fair value, based on quoted market values. Investment transactions are recorded on a trade date basis. The investment income realized on the investments is the interest earned and the increase or decrease in the market value of the bonds. All short-term notes and bonds have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are subsequently reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

Income Taxes

No provision for income taxes is required as the Organization is exempt from income taxes under the Income Tax Act.

The Christian Reformed Church in North America - Canada Corporation Notes to Financial Statements

June 30, 2024

2. Investments and Bank Loan

The funds on deposit from CRCNA agencies and associated churches are accumulated with the Canadian Imperial Bank of Commerce in a cash concentration account ("CCA").

a) The bank loan was taken out by the Organization to finance its investment portfolio, which provides security for the loans. The Organization pays interest at prime on the loan only to the extent that its loan balance exceeds the accumulated balance in the CCA. If the balance in the CCA exceeds the loan balance, interest is paid to the Organization by its banker. As at June 30, 2024, the total bank loan totaled \$31,345,614 (2023 - \$30,618,150). The bank loan has no fixed terms of repayment and no covenants.

b) The investment portfolio is comprised of the following:

| | 2024 | 2023 |
|--|---------------|---------------|
| Cash (margin) | \$ 65,870 | \$ 32,991 |
| Short-term notes | 1,764,467 | 1,461,587 |
| Canadian bonds | 18,209,564 | 17,424,948 |
| Pooled funds | 11,212,034 | 10,346,908 |
| | 31,251,935 | 29,266,434 |
| Investment with Christian Stewardship Services | 377,042 | 361,400 |
| | \$ 31,628,977 | \$ 29,627,834 |

The effective interest rate on the short-term notes during the year varied from 4.64% to 4.93% (2023 - 4.43% to 4.92%) and mature within three months of the year end. The effective interest rate on the Canadian bonds varies from 0.50% to 7.79% (2023 - 1.09% to 5.41%). The maturities of these bonds range from February 2025 to April 2034 (2023 - September 2023 to March 2033).

Investment income received by the Organization from its investment portfolio is used to pay interest to the various CRCNA agencies and churches. Any excess of investment income received by the Organization over the amount paid to agencies and churches is retained by the Organization for its own purposes.

**The Christian Reformed Church in North America -
Canada Corporation
Notes to Financial Statements**

June 30, 2024

3. Related Party Balances and Transactions

The following table summarizes the amounts due to related parties, which are organizations related through common management:

| | 2024 | 2023 |
|--|-----------------------|----------------|
| Due to related parties | | |
| Due to The Christian Reformed Church in North America - U.S. | \$ (2,236,619) | \$ (1,354,613) |
| Due to ReFrame Ministries | (15,018) | (53,054) |
| Due to World Renew | (1,921,524) | (1,964,338) |
| Due from/(to) various other denominational organizations | 82,518 | (497,319) |
| | \$ (4,090,643) | \$ (3,869,324) |

The amounts due to related parties are unsecured, non-interest-bearing and have no fixed terms of repayment.

During the year, \$1,483,869 (2023 - \$1,510,716) of expenses were allocated to the Organization from The Christian Reformed Church in North America, a Michigan non-profit corporation, and \$458,410 (2023 - \$287,568) of expenses were allocated by the Organization to The Christian Reformed Church in North America, a Michigan non-profit corporation.

During the year, the Organization charged related Canadian organizations their proportionate share of office and related services totalling \$3,030,037 (2023 - \$2,165,550).

These transactions were made in the normal course of business and have been recorded in appropriate expense accounts at the exchange amount.

**The Christian Reformed Church in North America -
Canada Corporation
Notes to Financial Statements**

June 30, 2024

4. Capital Assets

| | 2024 | | 2023 | |
|---------------------------------------|---------------------|-----------------------------|---------------------|-----------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Land | \$ 152,011 | \$ - | \$ 152,011 | \$ - |
| Building and building improvements | 4,187,873 | 2,055,859 | 4,187,872 | 1,896,867 |
| Computer equipment | 132,178 | 132,178 | 132,178 | 129,280 |
| Automotive equipment | 22,136 | 20,933 | 22,136 | 19,414 |
| Machinery and equipment | 192,454 | 115,673 | 172,620 | 97,681 |
| | \$ 4,686,652 | \$ 2,324,643 | \$ 4,666,817 | \$ 2,143,242 |
| Net book value | | \$ 2,362,009 | | \$ 2,523,575 |

5. Net Assets

Unrestricted net assets includes the Organization's investment in capital assets. The change in the investment in capital assets is calculated as follows:

| | 2024 | 2023 |
|--------------------------------------|---------------------|---------------------|
| Opening investment in capital assets | \$ 2,523,575 | \$ 2,722,047 |
| Purchase of capital assets | 19,835 | - |
| Amortization | (181,401) | (198,472) |
| Closing investment in capital assets | \$ 2,362,009 | \$ 2,523,575 |

The Christian Reformed Church in North America - Canada Corporation Notes to Financial Statements

June 30, 2024

6. Pension Plans

CRCNA participates in two retirement plans of the Christian Reformed Church under which all of its full-time regular employees with specified periods of service are eligible.

Ordained Ministers

The Organization makes contributions to the Retirement Plan for Ministers of the Christian Reformed Church in Canada (the "Plan"), which is a multi-employer defined benefit plan, on behalf of members of its staff. The Plan specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. However, the Plan is accounted for as a defined contribution plan as insufficient information is available to account for the Plan as a defined benefit plan. The Organization is only one of a number of employers that participates in the Plan and the financial information provided to the Organization on the basis of the contractual agreements is usually insufficient to reliably measure the Organization's proportionate share in the Plan assets and liabilities on defined benefit accounting requirements.

The Organization contributes an amount specified by the Plan's administrator, the Synod of the CRCNA. Contributions to the Plan are received primarily from supporting Christian Reformed Church members on a denominational ministry share basis and certain participating organizations. The amount contributed to the plan for 2024 was \$56,496 (2023 - \$63,558). The contributions were made for current service and these have been recognized in operations.

The funding valuation for the Plan shows a surplus of \$3,202,211 (2023 - \$4,854,265). The total required contributions to the Plan for 2024 are \$Nil (2023 - \$Nil), current service costs of \$986,900 (2023 - \$893,100) and administrative expenses of \$386,800 (2023 - \$386,800).

Unordained Employees

Unordained employees of the Christian Reformed Church are covered by a group registered retirement savings plan, under which CRCNA contributes a specified percentage of its employees' base salary. During the year ended June 30, 2024, the contributions to this plan were \$300,989 (2023 - \$259,023).

7. Commitments

As at June 30, 2024, the Organization has outstanding letters of guarantee totalling \$141,000 in connection with building improvements.

The Christian Reformed Church in North America - Canada Corporation Notes to Financial Statements

June 30, 2024

8. Financial Instrument Risks

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk resulting from the possibility that a counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations, which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Organization's financial instruments that are exposed to concentrations of credit risk related primarily to its accounts receivable. The Organization is also exposed to credit risk arising from all of its bank accounts being held at one financial institution with deposits exceeding Canadian Deposit Insurance Corporation coverage limits.

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, due to related parties, bank loan, and commitments.

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 other price risk.

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is exposed to currency risk on \$2,236,619 (2023 - \$1,354,613) of its due to related parties, as this amount is denominated in US dollars. The Organization considers this risk to be acceptable and therefore does not hedge its foreign exchange rate risks.

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 Organization is exposed to interest rate risk on its fixed-interest instruments which include its investment with Christian Stewardship Services, its short-term notes and bond portfolio. Fixed-interest instruments subject the Organization to a fair value risk. The Organization is also exposed to interest rate risk in relation to interest expense on its bank loan since the bank loan bears interest at a variable interest rate. Variable rate instruments subject the Organization to a cash flow risk. The interest rate risk related to the Organization's bank loan is mitigated by the fact that the Organization pays interest on the loan only to the extent that its loan balance exceeds the accumulated balance in its cash concentration account.

**The Christian Reformed Church in North America -
Canada Corporation
Notes to Financial Statements**

June 30, 2024

8. Financial Instrument Risks (Continued)

Market Risk (continued)

The Organization invests in units of pooled funds, which in turn invest in a diversified portfolio of assets. While the underlying investments of the pooled funds may be susceptible to both currency and interest rate risk, the Organization is not directly holding the investments denominated in a foreign currency or any interest-sensitive securities, with the exception of its investment with Christian Stewardship Services, its short-term notes, and bond portfolio. Accordingly, the Organization has no direct significant exposure to currency or interest rate risk as a result of its investment in pooled funds.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investment in pooled funds.

These risks have not changed from the previous year.

9. Contingency

A legal claim has been initiated against the Organization. The claim is currently ongoing and is being assessed by the defence counsel. Based on current knowledge and consultation with legal counsel, the directors do not expect the outcome of the claim to have a material adverse effect on the Organization's financial position. Should any loss result from the resolution of the claim, such loss will be charged to operations in the year of resolution.

10. Comparatives

Certain of the comparative figures have been reclassified to conform to the current year's presentations.

**The Christian Reformed Church in North America - Canada Corporation
Resonate Global Mission Schedule of Functional Expenses
(Unaudited)**

For the year ended June 30

| | Program Services | | | Support Services | | | 2024 Total | 2023 Total |
|--|---------------------|---------------------|----------------------------|------------------------|---------------------------|---------------------|---------------------|---------------|
| | Core Initiatives | Global Missions | North American Missions | Mission Advancement | Management and General | | | |
| Expenses | | | | | | | | |
| Salaries | \$ 246,355 | \$ 466,818 | \$ 308,584 | \$ 474,325 | \$ 195,767 | \$ 1,691,849 | \$ 1,526,398 | |
| Employee benefits | 58,543 | 176,739 | 62,159 | 123,309 | 38,068 | 458,818 | 491,042 | |
| Communications | 301 | 34 | 812 | 1,041 | 996 | 3,184 | 3,062 | |
| Mailing | 266 | 1,060 | 305 | 37,788 | 100 | 39,519 | 32,321 | |
| Software | 1,265 | 1,661 | 1,761 | 12,666 | 2,593 | 19,946 | 28,815 | |
| Contracted services | 3,920 | 206,703 | 82,356 | 17,785 | 1,934 | 312,698 | 326,396 | |
| Travel | 67,278 | 66,365 | 67,422 | 139,841 | 29,639 | 370,545 | 282,144 | |
| Dues and subscriptions | 1,855 | 30 | 1,284 | 1,354 | 666 | 5,189 | 9,386 | |
| Advertising and promotion | - | 424 | 1,096 | 1,011 | - | 2,531 | 1,985 | |
| Interest and bank fees | 100 | 3,114 | - | 14,196 | - | 17,410 | 16,366 | |
| Legal and professional | - | - | - | 18,905 | 21,531 | 40,436 | 38,175 | |
| Supplies | 358 | 2,993 | 864 | 930 | 179 | 5,324 | 12,381 | |
| Telecommunications | 2,726 | 980 | 3,852 | 3,328 | 1,018 | 11,904 | 14,527 | |
| Other office costs (recovery) | 739 | 10,627 | 4,687 | 1,383 | (2,813) | 14,623 | 18,617 | |
| Repairs and maintenance (recovery) | - | - | - | - | - | - | (61) | |
| Training and conferences | 13,845 | 1,125 | 22,938 | 2,005 | 7,745 | 47,658 | 74,017 | |
| Grants | 337,722 | 222,883 | 65,911 | 290 | 500 | 627,306 | 851,671 | |
| Cost sharing - US (recovery) | 492,499 | 1,303,848 | 2,000 | (59,950) | 119,088 | 1,857,485 | 526,594 | |
| Total | 1,227,772 | 2,465,404 | 626,031 | 790,207 | 417,011 | 5,526,425 | 4,253,836 | |
| Allocated central support services and general | 17,843 | 11,766 | 37,588 | 90,637 | 281,309 | 439,143 | 464,364 | |
| Total expenses | \$ 1,245,615 | \$ 2,477,170 | \$ 663,619 | \$ 880,844 | \$ 698,320 | \$ 5,965,568 | \$ 4,718,200 | |