

ReFrame Ministries  
Financial Statements  
For the year ended June 30, 2024

**ReFrame Ministries**  
**Financial Statements**  
For the year ended June 30, 2024

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## Independent Auditor's Report

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To the Board of Directors of ReFrame Ministries

### Qualified Opinion

We have audited the financial statements of ReFrame Ministries (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, excess (deficiency) 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.

A handwritten signature in black ink that reads "BDO Canada LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants, Licensed Public Accountants  
Oakville, Ontario  
November 11, 2024


**ReFrame Ministries**  
**Statement of Financial Position**

**June 30, 2024**

	Unrestricted	Restricted	Total
<b>Assets</b>			
<b>Current</b>			
Cash	\$ 2,335,567	\$ -	\$ 2,335,567
Accounts receivable	9,270	-	9,270
Due from related parties (Note 2)	45,251	-	45,251
	\$ 2,390,088	\$ -	\$ 2,390,088
<b>Liabilities and Net Assets</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	\$ 59,849	\$ -	\$ 59,849
<b>Net assets</b>	2,330,239	-	2,330,239
	\$ 2,390,088	\$ -	\$ 2,390,088

On behalf of the Board:

 Director

 Director

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

**ReFrame Ministries**  
**Statement of Financial Position**

**June 30, 2023**

	Unrestricted	Restricted	Total
<b>Assets</b>			
<b>Current</b>			
Cash	\$ 1,487,369	\$ -	\$ 1,487,369
Accounts receivable	10,251	-	10,251
Due from related party (Note 2)	675,841	-	675,841
	\$ 2,173,461	\$ -	\$ 2,173,461
<b>Liabilities and Net Assets</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	\$ 43,643	\$ -	\$ 43,643
Demand notes payable (Note 4)	50,000	-	50,000
	93,643	-	93,643
<b>Net assets</b>	2,079,818	-	2,079,818
	\$ 2,173,461	\$ -	\$ 2,173,461

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

## ReFrame Ministries Statement of Activities and Changes in Net Assets

**For the year ended June 30, 2024**

	Unrestricted	Restricted	Total
<b>Revenue</b>			
Ministry shares	\$ 694,972	\$ -	\$ 694,972
Undesignated gifts	549,268	-	549,268
Ministry support	647,667	-	647,667
Legacies	376,646	-	376,646
Other	58,256	-	58,256
	<b>2,326,809</b>	<b>-</b>	<b>2,326,809</b>
<b>Expenses</b>			
Program services			
English	633,696	-	633,696
International	866,164	-	866,164
Total program services	<b>1,499,860</b>	<b>-</b>	<b>1,499,860</b>
Support services			
Management and general	192,249	-	192,249
Resource development	384,279	-	384,279
Total support services	<b>576,528</b>	<b>-</b>	<b>576,528</b>
Total expenses	<b>2,076,388</b>	<b>-</b>	<b>2,076,388</b>
<b>Excess of revenue over expenses for the year</b>	<b>250,421</b>	<b>-</b>	<b>250,421</b>
<b>Net assets, beginning of year</b>	<b>2,079,818</b>	<b>-</b>	<b>2,079,818</b>
<b>Net assets, end of year</b>	<b>\$ 2,330,239</b>	<b>\$ -</b>	<b>\$ 2,330,239</b>

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

## ReFrame Ministries Statement of Activities and Changes in Net Assets

**For the year ended June 30, 2023**

	Unrestricted	Restricted	Total
<b>Revenue</b>			
Ministry shares	\$ 773,000	\$ -	\$ 773,000
Undesignated gifts	481,558	(3,199)	478,359
Ministry support	767,819	-	767,819
Legacies	524,327	-	524,327
Other	65,309	54	65,363
	<u>2,612,013</u>	<u>(3,145)</u>	<u>2,608,868</u>
<b>Expenses</b>			
Program services			
English	790,599	-	790,599
International	876,344	-	876,344
	<u>1,666,943</u>	<u>-</u>	<u>1,666,943</u>
Support services			
Management and general	196,463	-	196,463
Resource development	374,912	-	374,912
	<u>571,375</u>	<u>-</u>	<u>571,375</u>
Total expenses	<u>2,238,318</u>	<u>-</u>	<u>2,238,318</u>
<b>Excess (deficiency) of revenue over expenses for the year</b>	373,695	(3,145)	370,550
<b>Net assets, beginning of year</b>	<u>1,706,123</u>	<u>3,145</u>	<u>1,709,268</u>
<b>Net assets, end of year</b>	<u>\$ 2,079,818</u>	<u>\$ -</u>	<u>\$ 2,079,818</u>

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



**ReFrame Ministries**  
**Schedule of Functional Expenses**  
**(Unaudited)**

**For the year ended June 30, 2024**

	Program			Support			
	English	International	Total	Management and General	Resource Development	Total	Total
<b>Expenses</b>							
Compensation:							
Salaries	\$ 83,699	\$ -	\$ 83,699	\$ 53,073	\$ 182,531	\$ 235,604	\$ 319,303
Payroll taxes	5,471	-	5,471	3,912	12,877	16,789	22,260
Fringe benefits	15,430	-	15,430	9,886	28,719	38,605	54,035
Total compensation	<b>104,600</b>	<b>-</b>	<b>104,600</b>	<b>66,871</b>	<b>224,127</b>	<b>290,998</b>	<b>395,598</b>
Program:							
Production	14,102	1,899,951	1,914,053	-	-	-	1,914,053
Communications	869	29,620	30,489	5,587	5,894	11,481	41,970
Mailing	61,196	2,306	63,502	466	33,582	34,048	97,550
Professional services	-	-	-	17,014	11,750	28,764	28,764
Total program	<b>76,167</b>	<b>1,931,877</b>	<b>2,008,044</b>	<b>23,067</b>	<b>51,226</b>	<b>74,293</b>	<b>2,082,337</b>
Operations:							
Travel	1,300	27,075	28,375	4,523	49,530	54,053	82,428
Miscellaneous	521	-	521	1,655	8,128	9,783	10,304
Interest and bank fees (recovery)	-	-	-	(15,544)	248	(15,296)	(15,296)
Cost sharing - US	445,870	(1,092,788)	(646,918)	-	-	-	(646,918)
Allocated central support services	5,238	-	5,238	111,677	51,020	162,697	167,935
Total operations	<b>452,929</b>	<b>(1,065,713)</b>	<b>(612,784)</b>	<b>102,311</b>	<b>108,926</b>	<b>211,237</b>	<b>(401,547)</b>
<b>Total expenses</b>	<b>\$ 633,696</b>	<b>\$ 866,164</b>	<b>\$ 1,499,860</b>	<b>\$ 192,249</b>	<b>\$ 384,279</b>	<b>\$ 576,528</b>	<b>\$ 2,076,388</b>

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

## ReFrame Ministries Schedule of Functional Expenses

For the year ended June 30, 2023

	Program			Support			
	English	International	Total	Management and General	Resource Development	Total	Total
<b>Expenses</b>							
Compensation:							
Salaries	\$ 75,434	\$ -	\$ 75,434	\$ 48,637	\$ 186,540	\$ 235,177	\$ 310,611
Payroll taxes	5,169	-	5,169	3,586	9,865	13,451	18,620
Fringe benefits	14,359	-	14,359	9,460	29,896	39,356	53,715
Total compensation	94,962	-	94,962	61,683	226,301	287,984	382,946
Program:							
Grants	38,408	-	38,408	-	-	-	38,408
Production	25,449	2,047,154	2,072,603	-	-	-	2,072,603
Communications	862	-	862	3,171	10,545	13,716	14,578
Mailing	60,116	5,196	65,312	1,776	31,908	33,684	98,996
Professional services	-	-	-	10,009	13,238	23,247	23,247
Total program	124,835	2,052,350	2,177,185	14,956	55,691	70,647	2,247,832
Operations:							
Travel	3,599	5,593	9,192	488	60,065	60,553	69,745
Miscellaneous	651	(2,402)	(1,751)	633	8,495	9,128	7,377
Interest and bank fees (recovery)	59	-	59	(2,861)	29	(2,832)	(2,773)
Cost sharing - US	556,410	(1,179,197)	(622,787)	-	-	-	(622,787)
Allocated central support services	10,083	-	10,083	121,564	24,331	145,895	155,978
Total operations	570,802	(1,176,006)	(605,204)	119,824	92,920	212,744	(392,460)
<b>Total expenses</b>	<b>\$ 790,599</b>	<b>\$ 876,344</b>	<b>\$ 1,666,943</b>	<b>\$ 196,463</b>	<b>\$ 374,912</b>	<b>\$ 571,375</b>	<b>\$ 2,238,318</b>

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

## ReFrame Ministries Statement of Cash Flows

For the year ended June 30	2024	2023
<b>Cash provided by</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	\$ 250,421	\$ 370,550
Adjustments to reconcile excess of revenue over expenses to net cash provided by (used in) operating activities		
Unrealized foreign exchange gain on due from related party	(220)	(4,795)
Changes in non-cash working capital balances		
Accounts receivable	981	2,141
Due from related party	630,810	(445,941)
Accounts payable and accrued liabilities	16,206	(17,238)
Due to related party	-	(48)
	<b>898,198</b>	<b>(95,331)</b>
<b>Investing activities</b>		
Change in investment with Christian Stewardship Services	-	3,145
Repayment of demand notes payable	(50,000)	(12,000)
	<b>(50,000)</b>	<b>(8,855)</b>
<b>Net increase (decrease) in cash</b>	<b>848,198</b>	<b>(104,186)</b>
<b>Cash, beginning of year</b>	<b>1,487,369</b>	<b>1,591,555</b>
<b>Cash, end of year</b>	<b>\$ 2,335,567</b>	<b>\$ 1,487,369</b>

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

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# ReFrame Ministries

## Notes to Financial Statements

June 30, 2024

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### 1. Significant Accounting Policies

#### Nature of Organization

ReFrame Ministries 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 proclaim God's Word using electronic media and to engage in appropriate follow-up with those who respond.

#### Basis of Accounting

The financial statements of the Organization have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

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

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

- (i) Restricted Fund - the restricted fund is used to account for revenue and expenses relating to the ReFrame Ministry Stewardship Fund (Note 3) which have been restricted internally by the Organization's Board of Directors.
- (ii) Unrestricted Fund - the unrestricted fund is used to account for day-to-day operations of the Organization.

#### 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. The value of contributed services has not been reflected in the financial statements as they would otherwise not have been purchased.

The Organization has not received any unconditional promises to give.

#### Program Service Expenses

For domestic programs, the expenses are recorded when incurred for program purposes.

For non-domestic programs, the expenses are recorded when the funds are disbursed to the field, which may be prior to when the funds are actually spent or the expense is incurred for program purposes.

#### 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 \$19,044 (gains in 2023 - \$8,991) are included in management and general expenses. Unrealized foreign exchange losses of \$220 (2023 - \$4,795) are included within the cost sharing expenses.

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# ReFrame Ministries

## Notes to Financial Statements

June 30, 2024

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### 1. Significant Accounting Policies (Continued)

#### **Pensions**

The Organization maintains a defined contribution plan for non-ordained employees. Contributions are recognized as an expense in the year to which they relate.

#### **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. All investments have been designated to be in the fair value category, with investment income reported in operations. All other financial instruments are 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 operations. 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 operations.

#### **Income Taxes**

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

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## ReFrame Ministries Notes to Financial Statements

**June 30, 2024**

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### 2. Related Party Balances and Transactions

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

	2024	2023
<b>Due from related parties</b>		
ReFrame Ministries - U.S.	\$ 30,233	\$ 622,787
The Christian Reformed Church in North America - Canada Corporation	15,018	53,054
	<b>\$ 45,251</b>	<b>\$ 675,841</b>

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

During the year, \$1,092,788 (2023 - \$1,179,197) of expenses were allocated to the Organization from ReFrame Ministries - U.S. and \$445,870 (2023 - \$556,410) of expenses were allocated by the Organization to ReFrame Ministries - U.S.

The Organization paid \$167,935 (2023 - \$155,978) to the Christian Reformed Church in North America - Canada Corporation for management and support services.

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

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### 3. Investment with Christian Stewardship Services

The Organization and Christian Stewardship Services have jointly established the ReFrame Ministries Stewardship Fund ("Fund"). The purpose of this Fund is to support the long-term and ongoing ministry of the Organization by spreading God's word and making disciples through media ministry. Designated gifts and bequests are placed into this Fund immediately when received and each year 10% of the balance in the account will be expended by the Organization, with the remainder invested and managed by Christian Stewardship Services on behalf of the Organization to increase the value of the gift. At June 30, 2024, designated gifts and bequests added to this Fund totalled \$Nil (2023 - \$Nil), while \$Nil (2023 - \$3,199) was expended. Interest earned in this Fund totalled \$Nil (2023 - \$54).

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## ReFrame Ministries Notes to Financial Statements

**June 30, 2024**

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#### **4. Demand Notes Payable**

Demand notes payable are unsecured and bear interest from 4% to 7% per annum, payable semi-annually. Upon the death of the lender, the principal transfers to the Organization. The lender reserves the right to revoke part or all of the gift given to the Organization. During the year, the lender revoked the gift and the Organization repaid in full.

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#### **5. Commitment**

The Board has authorized the use of agency funds on deposit with its banker and incorporated in the cash management system as collateral for borrowing of the Christian Reformed Church in North America. No amount has been drawn upon this credit facility as at June 30, 2024.

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#### **6. Pension Plans**

Unordained employees of the Christian Reformed Church are covered by a group registered retirement savings plan, under which the Organization contributes a specified percentage of its employees' base salary. During the year ended June 30, 2024, the contributions to the plan approximated \$24,084 (2023 - \$25,236).

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#### **7. 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 and due from related parties. 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.

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## ReFrame Ministries Notes to Financial Statements

**June 30, 2024**

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### **7. Financial Instrument Risks (Continued)**

#### **Currency 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 the amount due from ReFrame Ministries - U.S. as the amount is denominated in U.S. dollars. The Organization considers this risk to be acceptable and, therefore, does not hedge its foreign exchange rate risks.

These risks have not changed from the previous year.