

ReFrame Ministries
Financial Statements
For the year ended June 30, 2025

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Independent Auditor's Report

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, 2025, 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, 2025, 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, 2025 and 2024, current assets as at June 30, 2025 and 2024, and net assets as at July 1 and June 30 for both the June 30, 2025 and 2024 years. Our audit opinion on the financial statements for the year ended June 30, 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 *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 28, 2025

ReFrame Ministries
Statement of Financial Position

June 30, 2025

	Unrestricted	Restricted	Total
Assets			
Current			
Cash	\$ 2,329,870	\$ -	\$ 2,329,870
Accounts receivable	3,475	-	3,475
Due from related parties (Note 2)	121,017	-	121,017
	\$ 2,454,362	\$ -	\$ 2,454,362
Liabilities and Net Assets			
Current			
Accounts payable and accrued liabilities	\$ 101,150	\$ -	\$ 101,150
Net assets	2,353,212	-	2,353,212
	\$ 2,454,362	\$ -	\$ 2,454,362

On behalf of the Board:

 Director

 Director

ReFrame Ministries
Statement of Financial Position

June 30, 2024

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

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, 2025

	Unrestricted	Restricted	Total
Revenue			
Ministry shares	\$ 448,483	\$ -	\$ 448,483
Undesignated gifts	569,895	-	569,895
Ministry support	625,802	-	625,802
Legacies	570,875	-	570,875
Other	65,084	-	65,084
	2,280,139	-	2,280,139
Expenses			
Program services			
English	734,998	-	734,998
International	887,562	-	887,562
Total program services	1,622,560	-	1,622,560
Support services			
Management and general	189,417	-	189,417
Resource development	445,189	-	445,189
Total support services	634,606	-	634,606
Total expenses	2,257,166	-	2,257,166
Excess of revenue over expenses for the year	22,973	-	22,973
Net assets, beginning of year	2,330,239	-	2,330,239
Net assets, end of year	\$ 2,353,212	\$ -	\$ 2,353,212

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
Revenue			
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
	<u>2,326,809</u>	-	<u>2,326,809</u>
Expenses			
Program services			
English	633,696	-	633,696
International	866,164	-	866,164
	<u>1,499,860</u>	-	<u>1,499,860</u>
Total program services			
Support services			
Management and general	192,249	-	192,249
Resource development	384,279	-	384,279
	<u>576,528</u>	-	<u>576,528</u>
Total support services			
Total expenses	<u>2,076,388</u>	-	<u>2,076,388</u>
Excess of revenue over expenses for the year	250,421	-	250,421
Net assets, beginning of year	<u>2,079,818</u>	-	<u>2,079,818</u>
Net assets, end of year	<u>\$ 2,330,239</u>	<u>\$ -</u>	<u>\$ 2,330,239</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, 2025

	Program			Support			
	English	International	Total	Management and General	Resource Development	Total	Total
Expenses							
Compensation:							
Salaries	\$ 94,874	\$ 43,680	\$ 138,554	\$ 30,577	\$ 214,591	\$ 245,168	\$ 383,722
Payroll taxes	5,960	3,161	9,121	2,744	14,280	17,024	26,145
Fringe benefits	16,144	8,579	24,723	7,037	38,936	45,973	70,696
Total compensation	116,978	55,420	172,398	40,358	267,807	308,165	480,563
Program:							
Production	12,906	1,814,531	1,827,437	-	-	-	1,827,437
Communications	830	25,286	26,116	4,315	11,429	15,744	41,860
Mailing	52,662	3,116	55,778	131	36,398	36,529	92,307
Professional services	-	-	-	13,496	10,641	24,137	24,137
Total program	66,398	1,842,933	1,909,331	17,942	58,468	76,410	1,985,741
Operations:							
Travel	1,715	-	1,715	-	40,724	40,724	42,439
Miscellaneous	7,657	18,013	25,670	12	11,261	11,273	36,943
Interest and bank fees	84	124	208	12,727	281	13,008	13,216
Cost sharing - US	534,595	(1,033,689)	(499,094)	-	-	-	(499,094)
Allocated central support services	7,571	4,761	12,332	118,378	66,648	185,026	197,358
Total operations	551,622	(1,010,791)	(459,169)	131,117	118,914	250,031	(209,138)
Total expenses	\$ 734,998	\$ 887,562	\$ 1,622,560	\$ 189,417	\$ 445,189	\$ 634,606	\$ 2,257,166

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

ReFrame Ministries Schedule of Functional Expenses

For the year ended June 30, 2024

	Program			Support			
	English	International	Total	Management and General	Resource Development	Total	Total
Expenses							
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	104,600	-	104,600	66,871	224,127	290,998	395,598
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	76,167	1,931,877	2,008,044	23,067	51,226	74,293	2,082,337
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	452,929	(1,065,713)	(612,784)	102,311	108,926	211,237	(401,547)
Total expenses	\$ 633,696	\$ 866,164	\$ 1,499,860	\$ 192,249	\$ 384,279	\$ 576,528	\$ 2,076,388

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

ReFrame Ministries Statement of Cash Flows

For the year ended June 30	2025	2024
Cash provided by		
Operating activities		
Excess of revenue over expenses for the year	\$ 22,973	\$ 250,421
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	(1,990)	(220)
Changes in non-cash working capital balances		
Accounts receivable	5,795	981
Due from related party	(73,776)	630,810
Accounts payable and accrued liabilities	41,301	16,206
	(5,697)	898,198
Investing activity		
Repayment of demand notes payable	-	(50,000)
	-	(50,000)
Net (decrease) increase in cash	(5,697)	848,198
Cash, beginning of year	2,335,567	1,487,369
Cash, end of year	\$ 2,329,870	\$ 2,335,567

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

ReFrame Ministries

Notes to Financial Statements

June 30, 2025

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 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 \$8,805 (gains in 2024 - \$19,044) are included in management and general expenses. Unrealized foreign exchange losses of \$1,990 (2024 - \$220) are included within the cost sharing expenses.

ReFrame Ministries

Notes to Financial Statements

June 30, 2025

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.

ReFrame Ministries Notes to Financial Statements

June 30, 2025

2. Related Party Balances and Transactions

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

	<u>2025</u>	<u>2024</u>
Due from related parties		
ReFrame Ministries - U.S.	\$ 111,149	\$ 30,233
The Christian Reformed Church in North America - Canada Corporation	<u>9,868</u>	<u>15,018</u>
	<u>\$ 121,017</u>	<u>\$ 45,251</u>

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

During the year, \$534,595 (2024 - \$445,870) of expenses were allocated to the Organization from ReFrame Ministries - U.S. and \$1,033,689 (2024 - \$1,092,788) of expenses were allocated by the Organization to ReFrame Ministries - U.S.

The Organization paid \$197,358 (2024 - \$167,935) 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.

3. 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, 2025.

4. 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, 2025, the contributions to the plan approximated \$32,801 (2024 - \$24,084).

ReFrame Ministries Notes to Financial Statements

June 30, 2025

5. Financial Instruments 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.

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 and U.S. cash held at year end in the amount of \$340,040 converted to CAD (2024 - \$644,342 converted to CAD). 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.