

**SPRINT - PIONEER MINISTRIES INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**SPRINT - PIONEER MINISTRIES INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

---

<b>-1-</b>	Independent Auditor's Report
<b>-3-</b>	Statement of Financial Position
<b>-4-</b>	Statement of Operations and Net Assets
<b>-5-</b>	Statement of Cash Flows
<b>-6-</b>	Notes to the Financial Statements
<b>-13-</b>	Schedule of Internally Restricted Funds

## **INDEPENDENT AUDITOR'S REPORT**

---

**To the Board of Directors of Sprint - Pioneer Ministries Inc.**

### **Opinion**

We have audited the accompanying financial statements of Sprint - Pioneer Ministries Inc. (the "Organization"), which comprise the Statement of Financial Position as at September 30, 2021, and Statements of Operations and Net Assets, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sprint - Pioneer Ministries Inc. as at September 30, 2021 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis of Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit 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 relating 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.

**February 1, 2022**  
**London, Canada**

*Scrimgeour & Company*  
**LICENSED PUBLIC ACCOUNTANT**

**SPRINT - PIONEER MINISTRIES INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2021**

	2021	2020
<b>ASSETS</b>		
Current Assets		
Cash	\$ 1,199,842	\$ 471,618
Short-term investments (note 6)	813,955	748,435
HST rebate recoverable	22,745	18,865
Prepaid expenditures	7,169	6,133
Due from Pioneers' affiliates (note 5)	-	7,591
	<b>2,043,711</b>	1,252,642
Capital assets (note 2.c), (note 4)	687,356	723,791
Long-term investments (note 7)	273,303	-
<b>TOTAL ASSETS</b>	<b>\$ 3,004,370</b>	<b>\$ 1,976,433</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 85,089	\$ 59,775
Due to Pioneers' affiliates (note 5)	9,058	-
Deferred revenue	156,178	140,961
	<b>250,325</b>	200,736
Net assets		
Net assets invested in capital assets	687,356	723,791
General	99,111	23,420
Internally restricted	1,967,578	1,028,486
	<b>2,754,045</b>	1,775,697
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,004,370</b>	<b>\$ 1,976,433</b>

Approved on behalf of Board:

Approved on behalf of Board:

The accompanying notes are an integral part of the financial statements

**SPRINT - PIONEER MINISTRIES INC.**  
**STATEMENT OF OPERATIONS AND NET ASSETS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	General Fund	Internally Restricted Fund	Capital Fund	2021 Total	2020 Total
<b>REVENUES</b>					
Donations	\$ 220,021	\$ 5,740,869	\$ -	\$ 5,960,890	\$ 4,953,331
Grant	84,848	-	-	84,848	82,925
Rental and other income	-	8,000	-	8,000	10,000
Investment income	5,819	-	-	5,819	6,170
Unrealized investment gains (losses)	76,180	-	-	76,180	(7,841)
Foreign exchange gains (losses)	(11,397)	-	-	(11,397)	(4,617)
	375,471	5,748,869	-	6,124,340	5,039,968
<b>EXPENDITURES</b>					
Amortization	-	-	40,570	40,570	39,604
Audit	9,000	-	-	9,000	9,000
Bank charges	10,568	-	-	10,568	8,747
Computer support and hardware	40,861	1,860	-	42,721	32,764
Grant	51,303	-	-	51,303	53,296
Hospitality	10,715	16,960	-	27,675	30,512
Insurance	13,718	-	-	13,718	11,641
International council fees	-	47,215	-	47,215	46,992
Marketing	21,108	-	-	21,108	20,153
Meetings and conferences	-	-	-	-	1,307
Minor equipment purchases and repairs	12,061	-	-	12,061	5,535
Missionary					
Staff	57,258	2,568,464	-	2,625,722	2,541,532
Field projects	-	110,593	-	110,593	233,536
Professional development	898	104,240	-	105,138	103,931
Staff subsidy	218,473	-	-	218,473	236,734
Office and general ministry supplies	22,452	83,956	-	106,408	134,684
Pioneers affiliates	-	1,502,827	-	1,502,827	943,047
Printing and postage	39,572	-	-	39,572	35,138
Telephone, email and internet	19,020	24,345	-	43,365	37,539
Travel	8	104,732	-	104,740	126,207
Utilities and taxes	13,215	-	-	13,215	20,369
	540,230	4,565,192	40,570	5,145,992	4,672,268
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER</b>	<b>(164,759)</b>	<b>1,183,677</b>	<b>(40,570)</b>	<b>978,348</b>	<b>367,700</b>
<b>OTHER REVENUES (EXPENDITURES)</b>					
Administration fees	439,585	(439,585)	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>274,826</b>	<b>744,092</b>	<b>(40,570)</b>	<b>978,348</b>	<b>367,700</b>
Transfer to (from) funds	(199,135)	195,000	4,135	-	-
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>23,420</b>	<b>1,028,486</b>	<b>723,791</b>	<b>1,775,697</b>	<b>1,407,997</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 99,111</b>	<b>\$ 1,967,578</b>	<b>\$ 687,356</b>	<b>\$ 2,754,045</b>	<b>\$ 1,775,697</b>

The accompanying notes are an integral part of the financial statements

**SPRINT - PIONEER MINISTRIES INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Revenues over expenditures (expenditures over revenues) (page 4)	\$ 978,348	\$ 367,700
Amortization	40,570	39,604
Unrealized investment gains (losses)	(76,180)	7,841
	<b>942,738</b>	<b>415,145</b>
<b>OTHER ITEMS NOT INVOLVING CASH</b>		
Decrease (increase) in accounts receivable	-	12,378
Decrease (increase) in HST rebate recoverable	(3,880)	14,888
Decrease (increase) in prepaid expenses	(1,036)	12,350
Decrease (increase) in due from (to) Pioneers' affiliates	16,649	(40,934)
Increase (decrease) in accounts payable and accrued liabilities	25,314	(15,965)
Increase (decrease) in deferred revenue	15,217	16,685
	<b>995,002</b>	<b>414,547</b>
<b>INVESTING ACTIVITIES</b>		
Capital asset additions	(4,135)	(5,524)
Decrease (increase) in short-term investments	10,660	-
Decrease (increase) in long-term investments	(273,303)	(55,199)
	<b>(266,778)</b>	<b>(60,723)</b>
Increase (decrease) in cash	<b>728,224</b>	<b>353,824</b>
Cash, beginning of year	<b>471,618</b>	<b>117,794</b>
<b>CASH, END OF YEAR</b>	<b>\$ 1,199,842</b>	<b>\$ 471,618</b>

The accompanying notes are an integral part of the financial statements



**SPRINT - PIONEER MINISTRIES INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

---

**1. Nature of the Organization**

Sprint - Pioneer Ministries Inc. (the Organization) is a registered charity, which is exempt from income tax pursuant to Section 149 (1)(f) of the Income Tax Act, Canada. The Organization was incorporated, without share capital, under the laws of Ontario.

The purpose of the Organization is to promote the word of God and aid in spreading the Gospel of Jesus Christ to the ends of the earth. The primary emphasis of this ministry is to mobilize teams to glorify God among unreached peoples by initiating church planting movements in partnership with local churches.

**2. Significant accounting policies**

The accounting policies of the Organization are in accordance with accounting principles appropriate for not-for-profit organizations. Those policies that are considered to be significant are outlined below:

**a. Fund accounting**

The Organization follows the principles of restricted fund accounting. These funds are held in accordance with the policies set by the Canadian Board. The following is a summary of the funds:

- i. The General Operating Fund accounts for the Organization's day-to-day operating activities of the Canadian administrative office involving the receipting of donations, payroll and the transferring of funds to the Pioneers' affiliate offices to further allocation and disbursement. All investment income is recorded as revenue in this fund.
- ii. The Internally Restricted and Capital Funds are funds designated by the Canadian Board for specific purposes which are set aside in the various funds and disbursed in accordance with the Canadian Board guidelines.

**b. Revenue recognition**

The Organization follows the accrual method of accounting for revenue other than donations. The accrual basis of accounting recognizes revenue as it becomes available and measurable. Donation revenue is recorded on the cash basis.

Revenue received in the current year for expenditures to be incurred in subsequent years is recorded on the Statement of Financial Position as deferred revenue.

All donations are allocated to projects and ministries approved by the Board. If a project or ministry for which gifts are received has been fully funded or cannot be completed for reasons beyond our control, the Board reserves the right to use these funds for similar projects or ministries.

**c. Capital assets**

Land, buildings, furniture and equipment and the parking lot are recorded at cost in the Capital Fund and amortized per note 4. The costs of repairs are charged to the Operating Fund.



**SPRINT - PIONEER MINISTRIES INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

---

**2. Significant accounting policies continued**

**d. Contributed services**

Volunteers contribute time to assist the Organization in carrying out its charitable activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

The Organization receives contributed materials, the fair value of which may or may not be reasonably determinable. Contributed materials are recognized as donations when fair value can be determined. If the fair value of a contributed capital asset cannot be determined, it is recorded at nominal value.

**e. Financial instruments**

The Organization's financial instruments are initially measured at fair value when issued or acquired. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments are quoted in an active market, which are measured at fair value. Financial assets are tested for impairment when change in circumstances indicate that the asset could be impaired. Changes in fair value are recognized in the Statement of Operations and Net Assets.

**f. Measurement uncertainty**

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Such estimates are periodically reviewed and any adjustments are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**3. Capital management**

The Organization defines capital as net assets. The Organization's objectives in managing capital are to ensure financial capacity to meet current obligations, to maintain, expand or modify the services provided and to continue as a going concern.

In order to manage capital, the Organization regularly identifies and assesses risks that threaten the ability to meet the Organization's capital management objectives, and determines the appropriate strategy to mitigate these risks. The Organization regularly monitors and assesses its financial performance and financial position to ensure its capital structure is appropriately maintained. The Organization has no externally imposed restrictions on its activities.

**SPRINT - PIONEER MINISTRIES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

---

**4. Capital assets**

Capital assets are initially recorded at cost. Amortization is calculated on a straight line basis over the estimated useful lives of the capital assets as follows:

Building and parking lot	25 years
Elevator	20 years
Office computers and equipment	3-10 years

In the year of addition or disposal, amortization is taken on the half year rule.

The Organization's capital assets consist of the following:

---

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2021</b>	<b>2020</b>
Land	\$ 160,000	\$ -	\$ 160,000	\$ 160,000
Building, parking lot and elevator	833,454	325,872	507,582	541,240
Office equipment	108,306	88,532	19,774	22,551
	<b>\$ 1,101,760</b>	<b>\$ 414,404</b>	<b>\$ 687,356</b>	<b>\$ 723,791</b>

---

**SPRINT - PIONEER MINISTRIES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**5. Due from (to) related parties**

The Organization is a member of the worldwide Pioneers international organization and carries out activities with other members in accordance with Contracts and Joint Ministry agreements. The following balances consist of fund transfers for donations due to or from these affiliates and are non-interest bearing and are due on demand.

	2021	2020
Due (to) from Pioneers Inc.	\$ 27,042	\$ 32,439
International Council - administration fees payable	(6,694)	(7,539)
Due (to) from Pioneers Orlando	(2,761)	(2,973)
Due (to) from Arab World Ministries	(21,083)	(14,962)
Due (to) from Mena	3,046	51
Due (to) from Xtend Global	2,791	10,813
Due (to) from Pioneers Australia	(5,851)	-
Due (to) from Pioneers Hong Kong	-	(142)
Due (to) from Pioneers Europe	-	(631)
Due (to) from Pioneers Philippines	(352)	(352)
Due (to) from Pioneers Ghana	(2,928)	-
Due (to) from Pioneers United Kingdom	(2,472)	(7,804)
Due (to) from Pioneers New Zealand	(92)	(2,093)
Due (to) from Pioneers Singapore	581	784
Due (to) from Dominican Republic	(285)	-
	\$ (9,058)	7,591

**SPRINT - PIONEER MINISTRIES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**6. Short-term investments**

The Organization's short-term investments consist of the following:

	<b>2021</b>	<b>Market Value</b>	<b>2020</b>	<b>Market Value</b>
	<b>Cost</b>		<b>Cost</b>	
Mutual Funds				
Altamira High Interest	\$ 176,089	\$ 176,089	\$ 160,555	\$ 160,555
5 year Global Fixed Income	-	-	63,126	62,112
Canadian Core Equity	60,276	79,233	42,071	45,134
US Core Equity	32,124	62,935	21,915	55,122
International Core Equity	42,221	59,254	24,221	34,251
Global Real Estate	-	-	16,623	22,819
DFA GLB A US \$	-	-	137,014	161,474
DFA GLB PTF	-	-	99,626	96,812
GIC - .35 to .65%, due October 2021 to July 2022 (2020 - .45-1.00% due October 2020- June 2021)	435,600	436,444	110,000	110,156
	\$ 746,310	\$ 813,955	\$ 675,151	\$ 748,435

**7. Long-term investments**

The Organization's long-term investments consist of the following:

	<b>2021</b>	<b>Market Value</b>	<b>2020</b>	<b>Market Value</b>
	<b>Cost</b>		<b>Cost</b>	
GIC - 0.75% to 1.35% due April 2023 to April 2024	\$ 272,000	\$ 273,303	\$ -	\$ -
	\$ 272,000	\$ 273,303	\$ -	\$ -

All the Organization's investments are included in Level 1 Hierarchy, whereby, fair value is determined by reference to quoted prices in active markets for identical assets and liabilities.

**SPRINT - PIONEER MINISTRIES INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

---

**8. Financial instruments - risks**

The Organization has evaluated its exposure to risk on financial instruments and determined the following risks exist:

**a. Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Some assets are exposed to foreign exchange fluctuations. As at September 30, 2021, cash of \$82,429 (\$32,280 as at 2020) is denominated in US dollars and converted to Canadian dollars.

**b. Credit risk**

The Organization has determined that the financial assets with credit risk exposure are accounts receivable, which are mainly due from the Government of Canada and Pioneer affiliates. Accordingly, the risk of non-collectability is low.

**c. Interest rate risk**

The Organization is exposed to interest rate risk to the extent its cash balances and short-term investments earn interest. The current interest rate earned on these accounts is low and therefore, the Organization's exposure to interest rate risk is low.

**d. Liquidity risk**

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to its accounts payable and accrued liabilities, which management has assessed as low due to sufficient funding to fulfill its obligations.

**e. Market risk**

The Organization's investments, which are traded on an active market, are exposed to the risk that changes in the market will affect the value of these investments. Management has evaluated this risk as low and monitors these investments on a regular basis.

**9. Credit Facility**

The Organization has an credit facility of \$250,000. A general security agreement covering all the assets has been pledged as collateral for this credit facility.

**10. Significant Event**

In March of 2020, the Province of Ontario declared a state of emergency in response to the COVID-19 virus. It is unclear what financial impact the COVID-19 virus will have on the Organization in the future. To date, the financial impact has limited travel and certain other expenditures. The Board and management are continuing to monitor the situation.

**SPRINT - PIONEER MINISTRIES INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

---

**11. Comparative balances**

Certain balances have been reclassified to conform to the current year's financial statement presentation.

---

SPRINT - PIONEER MINISTRIES INC.  
SCHEDULE OF INTERNALLY RESTRICTED FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Full Time Missionaries	Membership Assistance	Risk Management	Projects	Short Term Programs	Candidate Orientation	Scholarship and Edge Programs	General Reserve	Building	2021 Total	2020 Total
REVENUES											
Donations	\$ 4,905,661	\$ -	\$ -	\$ 764,897	\$ 4,901	\$ -	\$ 410	\$ -	\$ 73,000	\$ 5,748,869	\$ 4,815,887
Transfers	-	20,000	10,000	-	-	-	-	75,000	90,000	195,000	239,088
	4,905,661	20,000	10,000	764,897	4,901	-	410	75,000	163,000	5,943,869	5,054,975
EXPENDITURES											
Support	4,039,489	(15,581)	-	590,644	4,439	(1,600)	(12,041)	(40,000)	(158)	4,565,192	4,305,973
General	346,264	-	-	93,021	300	-	-	-	-	439,585	348,172
	4,385,753	(15,581)	-	683,665	4,739	(1,600)	(12,041)	(40,000)	(158)	5,004,777	4,654,145
EXCESS OF REVENUES OVER EXPENDITURES	519,908	35,581	10,000	81,232	162	1,600	12,451	115,000	163,158	939,092	400,830
BALANCE, BEGINNING OF YEAR	1,259,982	2,297	10,003	157,473	10,107	(1,146)	28,245	86,525	(525,000)	1,028,486	627,656
BALANCE, ENDING OF YEAR	\$ 1,779,890	\$ 37,878	\$ 20,003	\$ 238,705	\$ 10,269	\$ 454	\$ 40,696	\$ 201,525	\$ (361,842)	\$ 1,967,578	\$ 1,028,486