

SPRINT - PIONEER MINISTRIES INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

SPRINT - PIONEER MINISTRIES INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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SCRIMGEOUR & COMPANY
CPA PROFESSIONAL CORPORATION

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, 2024, 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, 2024 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.

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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.

January 23, 2025
London, Canada

Scrimgeour & Company
LICENSED PUBLIC ACCOUNTANT

SPRINT - PIONEER MINISTRIES INC.
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	2024	2023
ASSETS		
Current Assets		
Cash	\$ 630,402	\$ 628,269
Short-term investments (note 6)	1,248,597	1,226,514
Accounts receivable	-	150,000
HST rebate recoverable	21,112	22,854
Prepaid expenditures	75,619	5,146
Due from Pioneers' affiliates (note 5)	-	14,540
	1,975,730	2,047,323
Capital assets (note 2.c), (note 4)	588,083	621,264
Long-term investments (note 7)	994,331	865,020
TOTAL ASSETS	\$ 3,558,144	\$ 3,533,607
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 169,790	\$ 63,506
Due to Pioneers' affiliates (note 5)	132,455	-
Deferred revenue	517,500	573,170
	819,745	636,676
Net assets		
Capital fund (page 4)	588,083	621,264
General fund (page 4)	252,008	156,456
Restricted fund (page 4)	1,898,308	2,119,211
	2,738,399	2,896,931
TOTAL LIABILITIES AND NET ASSETS	\$ 3,558,144	\$ 3,533,607

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, 2024

	General Fund	Restricted Funds	Capital Fund	2024 Total	2023 Total
REVENUES					
Donations	\$ 132,129	\$ 7,020,335	\$ -	\$ 7,152,464	\$ 7,326,483
Grant	-	-	-	-	30,782
Rental and other income	300	14,400	-	14,700	16,050
Investment income	103,347	-	-	103,347	88,803
Unrealized investment gains (losses)	57,167	-	-	57,167	23,334
Foreign exchange gains (losses)	(14,308)	11,897	-	(2,411)	(9,495)
	278,635	7,046,632	-	7,325,267	7,475,957
EXPENDITURES					
Amortization	-	-	42,773	42,773	42,747
Bank charges	4,125	30,907	-	35,032	12,283
Computer support and hardware	96,541	2,175	-	98,716	40,189
Hospitality	15,998	46,421	-	62,419	42,828
Insurance	13,189	692	-	13,881	13,885
International council fees	-	64,882	-	64,882	60,391
Marketing	34,082	270	-	34,352	31,420
Meetings and conferences	2,664	5,639	-	8,303	5,023
Minor equipment purchases and repairs	6,340	-	-	6,340	8,546
Missionary and staff	395,897	3,027,610	-	3,423,507	3,618,765
Missionary field projects	-	1,430,738	-	1,430,738	1,222,613
Office and general ministry supplies	24,230	224,592	-	248,822	128,350
Pioneers' affiliates	8,988	1,400,622	-	1,409,610	1,567,255
Printing and postage	17,510	1,763	-	19,273	28,782
Professional development	4,528	112,232	-	116,760	128,158
Professional fees	15,518	-	-	15,518	9,540
Telephone, email and internet	11,617	33,588	-	45,205	30,843
Travel	25,823	367,487	-	393,310	327,086
Utilities and taxes	14,358	-	-	14,358	16,727
	691,408	6,749,618	42,773	7,483,799	7,335,431
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER	(412,773)	297,014	(42,773)	(158,532)	140,526
OTHER REVENUES (EXPENDITURES)					
Administration fees	508,325	(508,325)	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	95,552	(211,311)	(42,773)	(158,532)	140,526
Transfer to (from) funds	-	(9,592)	9,592	-	-
NET ASSETS, BEGINNING OF YEAR	156,456	2,119,211	621,264	2,896,931	2,756,405
NET ASSETS, END OF YEAR	\$ 252,008	\$ 1,898,308	\$ 588,083	\$ 2,738,399	\$ 2,896,931

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, 2024

	2024	2023
OPERATING ACTIVITIES		
Revenues over expenditures (expenditures over revenues) (page 4)	\$ (158,532)	\$ 140,526
Amortization	42,773	42,747
Unrealized investment losses (gains)	(57,167)	(23,334)
	(172,926)	159,939
OTHER ITEMS NOT INVOLVING CASH		
Decrease (increase) in accounts receivable	150,000	(148,400)
Decrease (increase) in HST rebate recoverable	1,742	1,853
Decrease (increase) in prepaid expenses	(70,473)	3,800
Decrease (increase) in due from (to) Pioneers' affiliates	146,995	(30,365)
Increase (decrease) in accounts payable and accrued liabilities	106,284	(34,242)
Increase (decrease) in deferred revenue	(55,670)	509,718
	105,952	462,303
INVESTING ACTIVITIES		
Capital asset additions	(9,592)	(17,638)
Decrease (increase) in short-term investments	35,084	(83,179)
Decrease (increase) in long-term investments	(129,311)	(41,958)
	(103,819)	(142,775)
Increase (decrease) in cash	2,133	319,528
Cash, beginning of year	628,269	308,741
CASH, END OF YEAR	\$ 630,402	\$ 628,269

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, 2024**

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 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 Restricted and Capital Funds are funds designated by the Canadian Board and donors 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 General Fund.

**SPRINT - PIONEER MINISTRIES INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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, 2024

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:

	Cost	Accumulated Amortization	2024	2023
Land	\$ 160,000	\$ -	\$ 160,000	\$ 160,000
Building, parking lot and elevator	833,454	(426,845)	406,609	440,266
Office equipment	132,306	(110,832)	21,474	20,998
	\$ 1,125,760	\$ (537,677)	\$ 588,083	\$ 621,264

SPRINT - PIONEER MINISTRIES INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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.

	2024	2023
Due (to) from Pioneers Inc.	\$ -	\$ 198
International Council - administration fees payable	-	(241)
Due (to) from Pioneers Orlando	-	(2,990)
Due (to) from Arab World Ministries	(9,769)	19,302
Due (to) from United States	(9,152)	5,790
Due (to) from Xtend Global	(21,584)	4,565
Due (to) from Pioneers Australia	(7,514)	(7,910)
Due (to) from Pioneers Hong Kong	(11,425)	(285)
Due (to) from Pioneers Europe	-	1,084
Due (to) from Pioneers Philippines	-	(352)
Due (to) from Pioneers Ghana	(1,708)	(840)
Due (to) from Pioneers United Kingdom	(14,316)	(3,719)
Due (to) from Pioneers New Zealand	-	(92)
Due (to) from Pioneers Egypt	(45,000)	-
Due (to) from Asia	(11,497)	-
Due (to) from Dominican Republic	(490)	30
	\$ (132,455)	\$ 14,540

SPRINT - PIONEER MINISTRIES INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

6. Short-term investments

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

	2024 Cost	Market Value	2023 Cost	Market Value
Altamira High Interest	\$ 311,787	\$ 311,531	\$ 272,447	\$ 272,447
Canadian Core Equity	66,729	106,771	64,765	87,296
US Core Equity	32,643	69,185	32,531	67,084
International Core Equity	46,775	87,245	45,638	56,849
Segregated Funds - Manulife	39,853	49,505	39,853	41,096
GIC - 3.90% to 5.13%, due October 2024 to August 2025 (2023 - 1.05% to 5.00% due October 2023 to August 2024)	619,578	624,360	697,368	701,742
	\$ 1,117,365	\$ 1,248,597	\$ 1,152,602	\$ 1,226,514

7. Long-term investments

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

	2024 Cost	Market Value	2023 Cost	Market Value
GIC - 3.90% to 4.93% due April 2026 to August 2029 (2023 - 3.90% to 4.90% due May 2025 to August 2028)	\$ 981,519	\$ 994,331	\$ 854,887	\$ 865,020
	\$ 981,519	\$ 994,331	\$ 854,887	\$ 865,020

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, 2024**

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, 2024, cash of \$93,713 (\$53,043 as at 2023) 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 a credit facility of \$250,000. A general security agreement covering all the assets has been pledged as collateral for this credit facility.

10. Comparative balances

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

SPRINT - PIONEER MINISTRIES INC.
SCHEDULE OF RESTRICTED FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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	Missionaries	Membership Assistance	Risk Management	Projects	Short Term Programs	Candidate Orientation	Scholarship and Edge Programs	Vision Fund (formerly Reserve Fund)	Building	2024 Total	2023 Total
REVENUES											
Donations	\$ 5,342,879	\$ -	\$ -	\$ 1,677,456	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,020,335	\$ 7,217,681
Interfund transfers	(3,182)	29,730	-	(46,330)	(2,724)	(1,624)	(35,605)	59,735	-	-	-
Rental and other income	-	-	-	11,897	-	-	-	-	14,400	26,297	-
	5,339,697	29,730	-	1,643,023	(2,724)	(1,624)	(35,605)	59,735	14,400	7,046,632	7,217,681
EXPENDITURES											
Support	5,197,870	-	-	1,541,536	-	-	-	10,212	-	6,749,618	6,594,559
General administration fees	424,951	-	-	83,374	-	-	-	-	-	508,325	494,381
Transfer to capital fund	-	-	-	-	-	-	-	-	9,592	9,592	8,001
	5,622,821	-	-	1,624,910	-	-	-	10,212	9,592	7,267,535	7,096,941
EXCESS OF REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUE)											
	(283,124)	29,730	-	18,113	(2,724)	(1,624)	(35,605)	49,523	4,808	(220,903)	120,740
BALANCE, BEGINNING OF YEAR	1,754,117	31,917	20,003	367,358	2,724	1,624	35,605	158,323	(252,460)	2,119,211	1,998,471
BALANCE, ENDING OF YEAR	\$ 1,470,993	\$ 61,647	\$ 20,003	\$ 385,471	\$ -	\$ -	\$ -	\$ 207,846	\$ (247,652)	\$ 1,898,308	\$ 2,119,211