

**World Renew
(Incorporated in Canada)
Financial Statements
For the year ended June 30, 2025**

**World Renew
Financial Statements
For the year ended June 30, 2025**

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Independent Auditor's Report

To the Board of Directors of World Renew

Qualified Opinion

We have audited the financial statements of World Renew (the "Organization"), which comprise the statement of financial position as at June 30, 2025, and the statements of activities, changes in 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, 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 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.

Independent Auditor's Report (Continued)

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
December 17, 2025

World Renew Statement of Financial Position

June 30, 2025

	Operating	Board Designated	CFGB	Total
Assets				
Current				
Cash	\$ 1,116,715	\$ 4,538,008	\$ -	\$ 5,654,723
Short-term investment	100,000	-	-	100,000
Accounts receivable	83,293	-	-	83,293
Prepaid expenses	12,206	-	-	12,206
Field advances (Note 2)	247,826	-	-	247,826
Due from related parties (Note 3)	6,762,918	-	-	6,762,918
	8,322,958	4,538,008	-	12,860,966
Investment in CFGB (Note 4)	-	-	8,366,840	8,366,840
	\$ 8,322,958	\$ 4,538,008	\$ 8,366,840	\$ 21,227,806
Liabilities				
Current				
Accounts payable and accrued liabilities	\$ 1,498,107	\$ -	\$ -	\$ 1,498,107
Deferred contributions (Note 5)	3,802,545	-	-	3,802,545
	5,300,652	-	-	5,300,652
Net Assets				
Operating	3,022,306	-	-	3,022,306
Restricted				
Board designated	-	4,538,008	-	4,538,008
CFGB (Note 4)	-	-	8,366,840	8,366,840
	3,022,306	4,538,008	8,366,840	15,927,154
	\$ 8,322,958	\$ 4,538,008	\$ 8,366,840	\$ 21,227,806

On behalf of the Board:

*John Schaff
Daryl Schaff*

Director

Director

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

World Renew

Statement of Financial Position

June 30, 2024

	Operating	Board Designated	CFG B	Total
Assets				
Current				
Cash	\$ 5,107,024	\$ 5,212,458	\$ -	\$ 10,319,482
Accounts receivable	100,763	-	-	100,763
Prepaid expenses	14,954	-	-	14,954
Field advances (Note 2)	199,349	-	-	199,349
Due from related parties (Note 3)	4,145,691	-	-	4,145,691
	9,567,781	5,212,458	-	14,780,239
Investment in CFGB (Note 4)	-	-	7,832,835	7,832,835
	\$ 9,567,781	\$ 5,212,458	\$ 7,832,835	\$ 22,613,074
Liabilities				
Current				
Accounts payable and accrued liabilities	\$ 1,213,773	\$ -	\$ -	\$ 1,213,773
Deferred contributions (Note 5)	4,070,079	-	-	4,070,079
	5,283,852	-	-	5,283,852
Net Assets				
Operating	4,283,929	-	-	4,283,929
Restricted				
Board designated	-	5,212,458	-	5,212,458
CFG B (Note 4)	-	-	7,832,835	7,832,835
	4,283,929	5,212,458	7,832,835	17,329,222
	\$ 9,567,781	\$ 5,212,458	\$ 7,832,835	\$ 22,613,074

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

World Renew Statement of Activities

For the year ended June 30, 2025

	Operating	Board Designated	CFG (Note 4)	Total
Revenue				
Contributions				
Development programs	\$ 3,545,669	\$ -	\$ -	\$ 3,545,669
Disaster programs	4,584,201	-	1,101,162	5,685,363
Unspecified	3,790,198	666,266	-	4,456,464
	11,920,068	666,266	1,101,162	13,687,496
Other revenue				
Government sourced contributions	98,351	-	6,653,228	6,751,579
Grants from others	2,142,351	-	-	2,142,351
Investment income and other	441,789	-	-	441,789
	14,602,559	666,266	7,754,390	23,023,215
Expenses				
Program services (Schedule)				
Overseas development	6,353,449	-	-	6,353,449
Disaster programs	1,961,565	-	-	1,961,565
Domestic development	441,067	-	-	441,067
Education and justice	865,720	-	-	865,720
CFG	-	-	10,645,385	10,645,385
Total program services	9,621,801	-	10,645,385	20,267,186
Support services (Schedule)				
Resource development	1,785,898	-	-	1,785,898
Management and general	2,372,199	-	-	2,372,199
Total support services	4,158,097	-	-	4,158,097
	13,779,898	-	10,645,385	24,425,283
Excess (deficiency) of revenue over expenses	\$ 822,661	\$ 666,266	\$ (2,890,995)	\$ (1,402,068)

World Renew Statement of Activities

For the year ended June 30, 2024

	Operating	Board Designated	CFG (Note 4)	Total
Revenue				
Contributions				
Development programs	\$ 2,994,691	\$ -	\$ -	\$ 2,994,691
Disaster programs	5,366,259	-	1,182,995	6,549,254
Unspecified	4,218,324	2,064,825	-	6,283,149
	12,579,274	2,064,825	1,182,995	15,827,094
Other revenue				
Government sourced contributions	-	-	7,553,396	7,553,396
Grants from others	1,705,332	-	-	1,705,332
Investment income and other	468,402	-	-	468,402
	14,753,008	2,064,825	8,736,391	25,554,224
Expenses				
Program services (Schedule)				
Overseas development	4,841,544	-	-	4,841,544
Disaster programs	2,334,614	-	-	2,334,614
Domestic development	325,834	-	-	325,834
Education and justice	796,939	-	-	796,939
CFG	-	-	11,892,156	11,892,156
Total program services	8,298,931	-	11,892,156	20,191,087
Support services (Schedule)				
Resource development	1,705,747	-	-	1,705,747
Management and general	2,070,755	-	-	2,070,755
Total support services	3,776,502	-	-	3,776,502
	12,075,433	-	11,892,156	23,967,589
Excess (deficiency) of revenue over expenses	\$ 2,677,575	\$ 2,064,825	\$ (3,155,765)	\$ 1,586,635

World Renew

Schedule of Functional Expenses

For the year ended June 30, 2025

	Program Services						Support Services				
	Overseas Development	Disaster Programs	Domestic Development	Education and Justice	CFG&B	Subtotal	Resource Development	Management and General		Subtotal	Total
Expenses											
Salaries	\$ 1,635,678	\$ 709,283	\$ 311,431	\$ 108,532	\$ -	\$ 2,764,924	\$ 1,358,817	\$ 997,948	\$ 2,356,765	\$ 5,121,689	
Employee benefits	501,032	115,355	77,338	26,444	-	720,169	379,702	178,135	557,837	1,278,006	
Total salaries and benefits	2,136,710	824,638	388,769	134,976	-	3,485,093	1,738,519	1,176,083	2,914,602	6,399,695	
Home office costs											
Operations (recovery)	(617,650)	(328,762)	7,870	67,850	-	(870,692)	143,257	597,337	740,594	(130,098)	
Printed materials	2,771	-	-	823	-	3,594	67,482	953	68,435	72,029	
Travel	81,113	35,238	3,531	26,772	-	146,654	140,735	118,396	259,131	405,785	
Facilities and equipment	20,030	-	-	-	-	20,030	945	721	1,666	21,696	
Promotional events and mailings	13,008	2,857	644	1,460	-	17,969	132,804	35,799	168,603	186,572	
Allocations (recovery)	72,732	46,672	40,253	633,839	-	793,496	(437,844)	442,910	5,066	798,562	
Total home office costs	(427,996)	(243,995)	52,298	730,744	-	111,051	47,379	1,196,116	1,243,495	1,354,546	
Field Costs											
Travel and vehicle	500,565	-	-	-	-	500,565	-	-	-	500,565	
Housing	191,301	-	-	-	-	191,301	-	-	-	191,301	
Field office costs	348,453	-	-	-	-	348,453	-	-	-	348,453	
Training/education	106,739	-	-	-	-	106,739	-	-	-	106,739	
Field staff costs	1,357,835	-	-	-	-	1,357,835	-	-	-	1,357,835	
Objective costs											
Agriculture	96,354	-	-	-	-	96,354	-	-	-	96,354	
Capacity Building	226,784	-	-	-	-	226,784	-	-	-	226,784	
Community Development	913,513	-	-	-	-	913,513	-	-	-	913,513	
Constituency Mobilization	315,555	-	-	-	-	315,555	-	-	-	315,555	
Disasters	-	1,325,859	-	-	6,998,859	8,324,718	-	-	-	8,324,718	
Disaster Food Aid	-	-	-	-	3,646,526	3,646,526	-	-	-	3,646,526	
Disaster Cleanup	-	7,926	-	-	-	7,926	-	-	-	7,926	
Disaster Reconstruction	-	32,609	-	-	-	32,609	-	-	-	32,609	
Disaster Needs Assessment	-	14,528	-	-	-	14,528	-	-	-	14,528	
Health	350,991	-	-	-	-	350,991	-	-	-	350,991	
HIV/AIDS	32,329	-	-	-	-	32,329	-	-	-	32,329	
Income Generation	44,773	-	-	-	-	44,773	-	-	-	44,773	
Literacy (recovery)	(474)	-	-	-	-	(474)	-	-	-	(474)	
Peace and Justice	80,286	-	-	-	-	80,286	-	-	-	80,286	
Safeguarding	1,588	-	-	-	-	1,588	-	-	-	1,588	
Water and Sanitation	78,143	-	-	-	-	78,143	-	-	-	78,143	
Total field costs	4,644,735	1,380,922	-	-	10,645,385	16,671,042	-	-	-	16,671,042	
Total expenses	\$ 6,353,449	\$ 1,961,565	\$ 441,067	\$ 865,720	\$ 10,645,385	\$ 20,267,186	\$ 1,785,898	\$ 2,372,199	\$ 4,158,097	\$ 24,425,283	

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

World Renew

Schedule of Functional Expenses

For the year ended June 30, 2024

	Program Services						Support Services				
	Overseas Development	Disaster Programs	Domestic Development	Education and Justice	CFG&B	Subtotal	Resource Development	Management and General		Subtotal	Total
Expenses											
Salaries	\$ 1,009,904	\$ 887,412	\$ 232,899	\$ 90,758	\$ -	\$ 2,220,973	\$ 1,208,931	\$ 500,788	\$ 1,709,719	\$ 3,930,692	
Employee benefits	97,487	178,404	54,320	22,983	-	353,194	341,174	117,531	458,705	811,899	
Total salaries and benefits	1,107,391	1,065,816	287,219	113,741	-	2,574,167	1,550,105	618,319	2,168,424	4,742,591	
Home office costs											
Operations	128,280	86,431	8,147	78,319	-	301,177	310,557	891,202	1,201,759	1,502,936	
Printed materials	812	-	-	478	-	1,290	59,814	73	59,887	61,177	
Travel	45,957	110,539	1,604	27,147	-	185,247	97,813	117,635	215,448	400,695	
Facilities and equipment	-	-	-	-	-	-	734	-	734	734	
Promotional events and mailings	3,929	124	219	(174)	-	4,098	121,514	34,454	155,968	160,066	
Allocation (recovery)	45,868	59,437	28,645	577,428	-	711,378	(434,790)	409,072	(25,718)	685,660	
Total home office costs	224,846	256,531	38,615	683,198	-	1,203,190	155,642	1,452,436	1,608,078	2,811,268	
Field Costs											
Travel	489,003	-	-	-	-	489,003	-	-	-	489,003	
Housing	204,176	-	-	-	-	204,176	-	-	-	204,176	
Field office costs	71,418	-	-	-	-	71,418	-	-	-	71,418	
Training/education	140,826	-	-	-	-	140,826	-	-	-	140,826	
Field staff costs	1,322,104	-	-	-	-	1,322,104	-	-	-	1,322,104	
Objective costs											
Agriculture	106,476	-	-	-	-	106,476	-	-	-	106,476	
Capacity Building	107,920	-	-	-	-	107,920	-	-	-	107,920	
CFG&B Food Security	-	-	-	-	104	104	-	-	-	104	
Community Development	425,386	-	-	-	-	425,386	-	-	-	425,386	
Constituency Mobilization	396,599	-	-	-	-	396,599	-	-	-	396,599	
Disasters	-	885,064	-	-	11,890,762	12,775,826	-	-	-	12,775,826	
Disaster Food Aid	-	129	-	-	1,290	1,419	-	-	-	1,419	
Disaster Reconstruction	-	127,074	-	-	-	127,074	-	-	-	127,074	
Health	34,036	-	-	-	-	34,036	-	-	-	34,036	
Income generation	50,512	-	-	-	-	50,512	-	-	-	50,512	
Literacy	88,492	-	-	-	-	88,492	-	-	-	88,492	
Peace and Justice	75,306	-	-	-	-	75,306	-	-	-	75,306	
Safeguarding (recovery)	(2,947)	-	-	-	-	(2,947)	-	-	-	(2,947)	
Total field costs	3,509,307	1,012,267	-	-	11,892,156	16,413,730	-	-	-	16,413,730	
Total expenses	\$ 4,841,544	\$ 2,334,614	\$ 325,834	\$ 796,939	\$ 11,892,156	\$ 20,191,087	\$ 1,705,747	\$ 2,070,755	\$ 3,776,502	\$ 23,967,589	

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

World Renew Statement of Changes in Net Assets

For the year ended June 30

	Operating	Board Designated	CFGB	Total
Balance as at June 30, 2023	\$ 4,022,920	\$ 4,431,067	\$ 7,288,600	\$ 15,742,587
Excess (deficiency) of revenue over expenses	2,677,575	2,064,825	(3,155,765)	1,586,635
Transfers- Joseph Fund	1,227,108	(1,227,108)	-	-
- Village Savings and Loan Fund	56,326	(56,326)	-	-
- CFGB	(3,700,000)	-	3,700,000	-
Balance as at June 30, 2024	4,283,929	5,212,458	7,832,835	17,329,222
Excess (deficiency) of revenue over expenses	822,661	666,266	(2,890,995)	(1,402,068)
Transfers- Joseph Fund	1,283,267	(1,283,267)	-	-
- Village Savings and Loan Fund	57,449	(57,449)	-	-
- CFGB	(3,425,000)	-	3,425,000	-
Balance as at June 30, 2025	\$ 3,022,306	\$ 4,538,008	\$ 8,366,840	\$ 15,927,154

World Renew Statement of Cash Flows

<u>For the year ended June 30</u>	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ (1,402,068)	\$ 1,586,635
Adjustments to reconcile excess of revenue over expenses to net cash provided by (used in) operating activities		
Unrealized foreign exchange (gain) loss on due from related parties	(67,946)	15,204
Changes in non-cash working capital balances		
Accounts receivable	17,470	(21,014)
Prepaid expenses	2,748	31,321
Field advances	(48,477)	(141,118)
Accounts payable and accrued liabilities	284,334	120,589
Deferred contributions	<u>(267,534)</u>	<u>(392,360)</u>
	<u>(1,481,473)</u>	<u>1,199,257</u>
Cash flows from investing activities		
Increase in investment in CFGB	(534,005)	(544,235)
Advances to related parties	(2,549,281)	-
Repayment from related parties	-	669,566
Purchase of short-term investment	<u>(100,000)</u>	<u>-</u>
	<u>(3,183,286)</u>	<u>125,331</u>
Net (decrease) increase in cash	(4,664,759)	1,324,588
Cash, beginning of year	10,319,482	8,994,894
Cash, end of year	\$ 5,654,723	\$ 10,319,482

World Renew Notes to Financial Statements

June 30, 2025

1. Significant Accounting Policies

Nature of Organization

World Renew 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 World Renew is to provide programs to aid developing countries and disaster relief, where necessary.

World Renew administers its overseas work in association with World Renew of the United States of America ("World Renew USA"), a Michigan non-profit corporation, through a joint ministry agreement which they have established. World Renew accounts for its proportionate share of shared costs incurred by the joint ministry.

Basis of Accounting

The financial statements of World Renew have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Fund Accounting

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

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

- (i) The Operating Fund accounts for World Renew's program delivery and administrative activities. This Fund reports unrestricted donations and restricted donations that do not have a separate restricted fund presented.
- (ii) The Board Designated Fund includes the Joseph Fund, the Village Savings and Loan Fund and the Grants Reserve Fund.

Non-designated estate gifts received in any given year are placed in the Joseph Fund. These funds, coupled with specifically designated Joseph Fund gifts, represent the Joseph Fund. The Joseph Fund releases funds into general operations over a period of seven years, 10% in year one and 15% in each of the remaining six years. During the year, gifts of \$649,416 (2024 - \$2,050,397) were made to the Joseph Fund and recognized as contribution revenue. During the year, \$1,283,267 (2024 - \$1,227,108) was transferred to the Operating Fund via an interfund transfer.

The Village Savings and Loan Fund consists of specifically designated gifts. Funds are released into general operations when certain program criteria are met over a period of fifteen years, at the rate of approximately 6.67%. During the year, gifts of \$16,850 (2024 - \$14,428) were made to the Village Savings and Loan Fund and recognized as contribution revenue. During the year, \$57,449 (2024 - \$56,326) was transferred to the Operating Fund via an interfund transfer.

- (iii) The CFGB Fund reports the assets, revenue and expenses relating to the Canadian Foodgrains Bank Association Inc. ("CFGB").

World Renew Notes to Financial Statements

June 30, 2025

1. Significant Accounting Policies (Continued)

Revenue Recognition

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

Government contributions and other significant institutional grants are recorded as deferred revenue when the contribution is awarded and revenue is recognized as the requisite program expenses are incurred.

Program Service Expenses

Program expenses paid through World Renew USA, an affiliated organization, are expensed when invoiced from that organization. Salaries for program expenses paid directly by World Renew are recorded as the costs are incurred.

Other program expenses for non-domestic programs are expensed when the funds are spent in the field for program purposes.

Domestic program expenses are recorded as the costs are incurred.

Allocation of Support Services

World Renew's principal activity is to provide services for five major programs: overseas development, disaster relief, domestic development, education and justice and Canadian Foodgrains Bank Association Inc. ("CFGB"). The costs of each include the salaries, benefits, home office costs and field costs. All allocations are based on an estimate of time in each function.

World Renew also incurs support services that are common to more than one program or department. There are two major categories of support services, namely management and general, and resource development. Resource development consists of the following departments: general communications, major donors, church relations, missionary program partner and communications.

50% of the expenses incurred in certain resource development departments is allocated to the education and justice program. These resource development departments are church relations, missionary program partner and communications.

World Renew Notes to Financial Statements

June 30, 2025

1. Significant Accounting Policies (Continued)

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.

As at June 30, 2025, there was \$456,258 (2024 - \$1,722,051) denominated in US dollars included in cash and \$3,516,298 denominated in US dollars due from World Renew USA (2024 - \$1,624,385 due from World Renew USA).

Pension Plan

World Renew maintains a defined contribution pension plan for unordained employees. Contributions are recognized as an expense in the year to which they relate.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires the 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 amounts 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 subsequently reported at cost or amortized cost less impairment, if applicable. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

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

Income Taxes

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

World Renew Notes to Financial Statements

June 30, 2025

2. Field Advances

Field advances are due on demand and represent holdings of overseas offices for use of current and future programs consisting of reconciled overseas bank accounts, petty cash holdings, staff advances, and in certain offices, emergency evacuation funds.

3. Related Party Balances and Transactions

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

	2025	2024
Due from related parties		
Due from The Christian Reformed Church in North America - Canada Corporation	\$ 1,951,488	\$ 1,922,396
Due from World Renew USA	<u>4,811,430</u>	<u>2,223,295</u>
	<u>\$ 6,762,918</u>	<u>\$ 4,145,691</u>

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

World Renew is affiliated with World Renew USA and certain field projects are jointly funded. Payables to or receivables from World Renew USA result depending upon the original funding sources and availability of funds for the joint field projects. During the year, in connection with the joint field projects, \$10,902,651 (2024 - \$4,050,085) of expenses were allocated to World Renew from World Renew USA, and \$8,314,516 (2024 - \$2,076,222) of expenses were allocated from World Renew to World Renew USA.

World Renew also paid \$804,443 (2024 - \$685,232) 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.

World Renew Notes to Financial Statements

June 30, 2025

4. Canadian Foodgrains Bank Association Inc.

World Renew is one of fifteen partners in the Canadian Foodgrains Bank Association Inc. ("CFGBC"). CFGBC, with support from its partners and Global Affairs Canada, provides support to developing countries.

Countries with CFGBC programming consists of Bangladesh, Colombia, Honduras, India, Kenya, Lebanon, Madagascar, Malawi, Nigeria, South Sudan, Syria, Tanzania, Uganda, and Zambia (2024 - Bangladesh, Colombia, Ethiopia, Haiti, Honduras, Kenya, Lebanon, Madagascar, Malawi, Nigeria, South Sudan, Syria, Tanzania, Uganda, and Zambia). In the current year, CFGBC expenses totaled \$10,645,385 (2024 - \$11,892,156).

The investment in CFGBC represents residual funds held by CFGBC for World Renew.

As part of the operating agreement, should World Renew ever cease to be a member, the balance with CFGBC would remain with CFGBC and would be directed towards an approved program and/or a standing partner of CFGBC.

5. Deferred Contributions

Deferred contributions represent funds for specific development and disaster relief programs in excess of expenses incurred on these programs.

	2025	2024
Balance, beginning of year	\$ 4,070,079	\$ 4,462,439
Amounts recognized as revenue in the year	(4,853,525)	(4,002,003)
Amounts received related to ongoing projects	<u>4,585,991</u>	<u>3,609,643</u>
Balance, end of year	\$ 3,802,545	\$ 4,070,079

World Renew Notes to Financial Statements

June 30, 2025

6. Credit Facility

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 (2024 - \$Nil).

7. Pension Plans

Unordained employees of the Christian Reformed Church are covered by a group registered retirement savings plan, under which World Renew contributes a specified percentage of its employees' base salary. During the year ended June 30, 2025, the contributions to the plan were \$485,956 (2024 - \$386,254).

8. Financial Instrument Risks

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. World Renew 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. World Renew's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable and due from related parties. World Renew 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 World Renew will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, World Renew 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. World Renew is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

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. A significant portion of World Renew's expenses are incurred in foreign countries. World Renew is exposed to foreign exchange fluctuations to the extent that these purchases are denominated in U.S. dollars. World Renew's financial instruments that are exposed to currency risk relate primarily to its cash and due from related parties. World Renew 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.

World Renew
Schedule of Overseas Development Programs Expenses

<u>For the year ended June 30</u>	<u>2025</u>	<u>2024</u>
Asia Ministry Team (recovery)	\$ 175,014	\$ (200)
Bangladesh	1,182,744	-
Development Team	374,910	778,071
East Africa Ministry Team	9,625	18,699
Haiti (recovery)	120,447	(10)
Honduras	253,205	248,284
India	52,709	-
Kenya		1,197,308
Laos	140,777	241,876
Latin America Ministry Team	42,716	106
Malawi	157,188	560,213
Mali	37,208	50,272
Mozambique	338,268	152,190
Nicaragua	216,003	140,741
Niger	63,109	49,651
Nigeria	792	2,705
Senegal	39,875	30,577
Sierra Leone	491	12,045
Southern Africa Ministry Team	49,927	3,610
Tanzania	1,304,123	819,467
Uganda	20,552	29,766
West Africa Ministry Team	4,338	-
Zambia	572,120	590,927
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	\$ 6,353,449	\$ 4,841,544

World Renew
Schedule of Disaster Programs Expenses

<u>For the year ended June 30</u>	<u>2025</u>	<u>2024</u>
General North America	607,618	749,107
General Overseas	-	563
Haiti	-	253,648
India	-	43,999
Kenya	483,052	453,105
Myanmar	63,691	-
Philippines	9,349	-
Syria and Lebanon	797,855	834,192
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	\$ 1,961,565	\$ 2,334,614
