

Consolidated Financial Statements of

**POWER TO CHANGE
MINISTRIES**

And Independent Auditor's Report Thereon

Year ended June 30, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Members of Power to Change Ministries

Opinion

We have audited the consolidated financial statements of Power to Change Ministries (the "Entity") which comprise:

- the consolidated statement of financial position as at June 30, 2025
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in fund balances for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at June 30, 2025 and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for 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 auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 opinion.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 the consolidated 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 consolidated 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 Entity'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 Entity'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 consolidated 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 Entity to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Langley, Canada
November 26, 2025

POWER TO CHANGE MINISTRIES

Consolidated Statement of Financial Position

June 30, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,193,902	\$ 4,607,216
Accounts receivable (note 2)	179,055	544,770
Inventory	232,677	284,454
Prepaid expenses and deposits	259,995	271,884
Short-term investments (note 4)	3,765,523	2,546,530
	9,631,152	8,254,854
Tangible capital assets (note 3)	10,127,691	10,732,871
Investments (note 4)	9,821,309	9,426,743
Life insurance policies (note 4)	579,484	781,937
	\$ 30,159,636	\$ 29,196,405


Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 2,558,656	\$ 2,516,281
Fund balances:		
Ministry fund	17,473,289	15,947,253
Capital asset fund	10,127,691	10,732,871
	27,600,980	26,680,124
Contingencies (note 6)		
Commitments (note 9)		
	\$ 30,159,636	\$ 29,196,405

See accompanying notes to consolidated financial statements.

On behalf of the Board:

 Director

 Director

POWER TO CHANGE MINISTRIES

Consolidated Statement of Operations

Year ended June 30, 2025, with comparative information for 2024

	Ministry Fund	Capital Asset Fund	Total 2025	Total 2024
Revenue:				
Contributions	\$ 35,798,846	\$ -	\$ 35,798,846	\$ 35,310,868
Conference registrations	1,138,894	-	1,138,894	1,021,252
Sale of literature and materials	239,865	-	239,865	259,737
Other income	1,401,173	-	1,401,173	735,248
Investment income	214,675	-	214,675	826,615
Gifts-in-kind contributions	450,271	-	450,271	343,431
	39,243,724	-	39,243,724	38,497,151
Expenses:				
Business	1,513,878	-	1,513,878	1,320,628
Church	729,632	-	729,632	795,259
Education	9,862,102	-	9,862,102	9,272,341
Family	2,514,878	-	2,514,878	2,421,940
Government	161,259	-	161,259	230,392
Sport	4,999,051	-	4,999,051	5,027,080
Media	1,732,704	-	1,732,704	1,901,487
International	3,649,084	-	3,649,084	3,809,228
General ministry activity	4,219,160	-	4,219,160	4,537,210
Relief and development	4,510,955	-	4,510,955	4,985,435
	33,892,703	-	33,892,703	34,301,000
Fundraising	2,388,047	-	2,388,047	2,218,054
Administration	1,290,232	-	1,290,232	1,367,127
Amortization of tangible capital assets	-	751,886	751,886	772,241
	37,570,982	751,886	38,322,868	38,658,422
Excess (deficiency) of revenue over expenses before the undernoted	1,672,742	(751,886)	920,856	(161,271)
Excess (deficiency) of revenue over expenses	\$ 1,672,742	\$ (751,886)	\$ 920,856	\$ (161,271)

See accompanying notes to consolidated financial statements.

POWER TO CHANGE MINISTRIES

Consolidated Statement of Changes in Fund Balances

Year ended June 30, 2025, with comparative information for 2024

	Ministry Fund	Capital Asset Fund	Total 2025	Total 2024
Balance, beginning of year	\$ 15,947,253	\$ 10,732,871	\$ 26,680,124	\$ 26,841,395
Excess (deficiency) of revenue over expenses	1,672,742	(751,886)	920,856	(161,271)
Interfund transfers (note 10)	(146,706)	146,706	-	-
Balance, end of year	\$ 17,473,289	\$ 10,127,691	\$ 27,600,980	\$ 26,680,124

See accompanying notes to consolidated financial statements.

POWER TO CHANGE MINISTRIES

Consolidated Statement of Cash Flows

Year ended June 30, 2025, with comparative information for 2024

	2025	2024
Cash and equivalents provided by (used in):		
Operating:		
Excess (deficiency) of revenue over expenses	\$ 920,856	\$ (161,271)
Items not involving cash:		
Amortization of tangible capital assets	751,886	772,241
Gifts-in-kind contributions held as inventory	74,617	18,563
Unrealized gain (loss) on life insurance policies	202,453	(15,911)
	1,949,812	613,622
Changes in non-cash operating working capital:		
Accounts receivable	365,715	(308,095)
Inventory	(22,840)	5,843
Prepaid expenses and deposits	11,889	518,650
Accounts payable and accrued liabilities	42,375	(776,732)
Deferred contributions	-	(336,034)
	2,346,951	(282,746)
Investing:		
Net acquisition of investments	(1,613,559)	(1,734,502)
Proceeds from sale of tangible capital assets	7,143	6,624
Purchase of tangible capital assets	(153,849)	(175,257)
	(1,760,265)	(1,903,135)
Increase (decrease) in cash and cash equivalents	586,686	(2,185,881)
Cash and cash equivalents, beginning of year	4,607,216	6,793,097
Cash and cash equivalents, end of year	\$ 5,193,902	\$ 4,607,216

See accompanying notes to consolidated financial statements.

POWER TO CHANGE MINISTRIES

Notes to Consolidated Financial Statements

Year ended June 30, 2025

Purpose of organization:

Power to Change Ministries ("Power to Change") exists to help people know Jesus and experience His Power to Change the world. Power to Change is incorporated under the Canada Not-for-profit Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act, and as such is not subject to income taxes. Power to Change is also registered as a corporation under the Business Corporations Act of Alberta, and a corporation under the Corporations Information Act (Ontario).

1. Significant accounting policies:

These consolidated financial statements have been prepared by management as Power to Change's general purpose financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Management has also prepared an additional set of financial statements on a non-consolidated basis in accordance with the provisions of Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

(a) Principles of consolidation:

These financial statements present the consolidated financial position and results of operations of Power to Change and the following controlled organizations:

Global Aid Network ("GAiN");
Campus Crusade for Christ Foundation ("CCCCF");
Power to Change Foundation (the "Foundation"); and
SportAid International ("SAID").

Significant inter-entity transactions and balances within the group of consolidated entities have been eliminated.

(b) Revenue recognition:

Power to Change follows the restricted fund method of accounting for contributions, giving recognition to restrictions on the use of resources specified by donors. The fund classifications are as follows:

(i) Ministry Fund:

The Ministry Fund is the general fund and includes unrestricted revenue and contributions received by Power to Change.

POWER TO CHANGE MINISTRIES

Notes to Consolidated Financial Statements (continued)

Year ended June 30, 2025

1. Significant accounting policies (continued):

(b) Revenue recognition (continued):

(ii) Capital Asset Fund:

The Capital Asset Fund includes contributions, other funding received by Power to Change and transfers from the Ministry Fund designated for the purchase of tangible capital assets.

All other revenue is recognized when the services are provided or when the goods are delivered.

Gifts-in-kind are valued at their estimated fair value at the time the contribution is made when a fair value can be determined and Power to Change would otherwise have purchased the items.

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(c) Inventory:

Inventory consists of literature, audio-visual materials and aid supplies. Literature and audio visual materials are valued at the lower of the original purchase price and net realizable value, which is the estimated selling price in the normal course of operations less estimated costs to sell. Aid supplies are valued at the lower of the original purchase price and replacement cost.

(d) Capital assets:

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life or improve the service potential of an asset are capitalized.

POWER TO CHANGE MINISTRIES

Notes to Consolidated Financial Statements (continued)

Year ended June 30, 2025

1. Significant accounting policies (continued):

(d) Tangible capital assets (continued):

Amortization of tangible capital assets is provided on a straight-line basis as follows:

Asset	Rate
Building	30 years
Equipment	3 years
Computer hardware	3 years
Software	3 years

Power to Change reviews the carrying amount of tangible capital assets for impairment whenever events or changes in circumstances indicate that the asset no longer contributes to Power to Change's ability to provide goods and services, or that the value of the future economic benefits or service potential associated with the asset is less than its carrying amount. If such conditions exist, an impairment loss is measured and recorded in the statement of operations at the amount by which the carrying amount of the capital asset exceeds its fair value or replacement cost.

(e) Life insurance policies:

Power to Change is the owner and beneficiary of various life insurance policies. These policies are recorded at the cash surrender value. The premiums are paid by the donors of the policies.

(f) Foreign currency transactions and translation:

Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rates in effect at the year end date. Revenues and expenses originating in foreign currencies are translated at the rate in effect at the date of the transaction. Exchange gains and losses are included in the statement of operations.

(g) Cash and cash equivalents:

Cash and cash equivalents include term deposits and guaranteed income certificates with a maturity of more than three months if they are cashable at any time without penalty.

POWER TO CHANGE MINISTRIES

Notes to Consolidated Financial Statements (continued)

Year ended June 30, 2025

1. Significant accounting policies (continued):

(h) Measurement uncertainty:

The preparation of the financial statements 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 amounts of revenue and expenses during the year.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Actual results could differ from those estimates.

(i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. Power to Change has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, Power to Change determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount Power to Change expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

POWER TO CHANGE MINISTRIES

Notes to Consolidated Financial Statements (continued)

Year ended June 30, 2025

1. Significant accounting policies (continued):

(j) Allocation of expenses:

Power to Change engages in various programs. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. Power to Change also incurs administrative expenses that are common to the administration of the organization and each of its programs.

Power to Change allocates certain of its administrative expenses based on an estimate of costs and services provided. Administration and corporate governance are not allocated; other general operational expenses are allocated within the Ministry Fund as presented in the statement of operations.

2. Accounts receivable:

No allowance for doubtful accounts has been recorded against accounts receivable at June 30, 2025 (2024 - nil).

3. Tangible capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,590,250	\$ -	\$ 1,590,250	\$ 1,590,250
Building	8,797,378	690,132	8,107,246	8,400,492
Equipment	1,897,654	1,583,024	314,630	624,424
Computer hardware	872,371	756,806	115,565	117,705
Software	312,318	312,318	-	-
	\$ 13,469,971	\$ 3,342,280	\$ 10,127,691	\$ 10,732,871

POWER TO CHANGE MINISTRIES

Notes to Consolidated Financial Statements (continued)

Year ended June 30, 2025

4. Investments:

	2025	2024
At amortized cost:		
Guaranteed investment certificate with RBC Bank, bearing interest at 2.8% - 3.6% per annum, maturing between December 2025 and April 2026	\$ 3,765,523	\$ 2,546,530
Life insurance policies	579,484	781,937
At fair market value:		
Fixed income	1,038,243	1,113,501
Pooled funds	8,013,337	6,690,814
Equity	767,424	1,620,187
Trust units	2,305	2,241
	9,821,309	9,426,743
	\$ 14,166,316	\$ 12,755,210

The aggregate face value of the life insurance policies is \$4,981,351 (2024 - \$5,381,351) and will be recognized as revenue when received.

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$41,764 (2024 - \$39,764), which consists of amounts payable for GST and Employer Health Tax.

6. Contingencies:

Power to Change has one letter (2024 - one letter) of credit outstanding at June 30, 2025, in the amount of \$3,460 (2024 - \$3,460). While Power to Change is the borrower, the letter of credit was issued on behalf of CCCF, who was the applicant. Subsequent to year-end, this letter of credit has been canceled.

CCCF has no letters (2024 - one letter) of credit outstanding at June 30, 2025.

POWER TO CHANGE MINISTRIES

Notes to Consolidated Financial Statements (continued)

Year ended June 30, 2025

7. Bank indebtedness:

Power to Change, Global Aid Network, and Campus Crusade for Christ Foundation have the following credit facilities available:

- (a) A revolving demand facility in the amount of \$1,332,546 (Power to Change \$1,000,000, Global Aid Network \$228,000, and Campus Crusade for Christ Foundation \$104,546), available by the way of Royal Bank prime rate and/or Royal Bank U.S. base rate based loans, letter of credit and/or letter of guarantee in Canadian or US currency. For Power to Change, interest is based on the Bank's prime rate. For Global Aid Network and Campus Crusade for Christ Foundation, interest is at the Bank's prime rate plus 5%.
- (b) A revolving term credit facility in the amount of \$500,000 (Power to Change) available by the way of a series of term loans. The facility bears interest based on the Bank's prime rate plus a premium to be determined at the time of borrowing.
- (c) A revolving lease line of credit in the amount of \$500,000 (Power to Change).

Bank indebtedness is secured through general security agreements, cash collateral agreements, and a guarantee and postponement of claim forms, signed by the guarantors.

As at June 30, 2025, no amount has been drawn against these facilities.

8. Allocation of expenses:

As described in the significant accounting policies, certain administrative expenses have been allocated to various programs as follows:

	2025	2024
Fundraising	\$ 718,630	\$ 502,021
General ministry activity	2,751,571	2,476,711
Administration	783,882	718,319
Relief and development	-	35,342
	<u>\$ 4,254,083</u>	<u>\$ 3,732,393</u>

POWER TO CHANGE MINISTRIES

Notes to Consolidated Financial Statements (continued)

Year ended June 30, 2025

9. Commitments:

Power to Change occupies office space under long-term leases in Toronto, Guelph, Ottawa, Winnipeg, Edmonton and Montreal. Total estimated operating lease payments up to the end of the lease terms are as follows:

2026	\$	61,266
2027		10,588
	\$	71,854

10. Interfund transfers:

In 2025, the Ministry Fund transferred \$146,706 to the Capital Asset Fund (2024 - 168,633) for the purchase of tangible capital assets.

11. Financial risks and concentrations of risks:

(a) Currency risk:

Power to Change is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, Power to Change receives contributions and incurs expenses denominated in foreign currencies and holds bank accounts denominated in foreign currencies. At year-end, cash held in European Euros converted to Canadian currency is \$309,282 (2024 - \$33,882) and cash held in US dollars converted to Canadian currency is \$676,717 (2024 - \$795,729). Power to Change does not currently enter into forward contracts to mitigate this risk.

(b) Liquidity risk:

Liquidity risk is the risk that Power to Change will be unable to fulfill its obligations on a timely basis or at a reasonable cost. Power to Change manages its liquidity risk by monitoring its operating requirements. Power to Change prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. Power to Change is exposed to credit risk with respect to its cash and cash equivalents and accounts receivable. Power to Change assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. Power to Change has deposited cash and cash equivalents with reputable financial institutions, from which management believes the risk of loss to be remote.

POWER TO CHANGE MINISTRIES

Notes to Consolidated Financial Statements (continued)

Year ended June 30, 2025

11. Financial risks and concentrations of risks (continued):

(d) Price risk:

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Power to Change is exposed to price risk with respect to investments. The risk associated with investments is managed through Power to Change's established investment policy.

(e) Interest rate risk:

Interest rate risk is the risk that the fair value of cash flows of a financial instrument will fluctuate due to changes in market interest rates. Power to Change is exposed to interest rate risk primarily through its fixed rate investments.

There has been no change to the risk exposures from the prior year.