



Annual Report 2025



Annual Report First Printing: October 23, 2025
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Agenda

Annual General Meeting of First Alliance Church Monday, November 17, 2025

First Segment

1. Meeting Called to Order
2. Opening Comments & Prayer
3. Declaration of Quorum based on Report from Registration Secretary
4. Approval of Agenda
5. Minutes of the Annual General Meeting of Sunday, November 17, 2024
6. Motion to Appoint Tellers for the Annual General Meeting
7. Report of the Nominating Committee for 2025-2026
8. Election of Elders
9. Election of the Nominating Committee for 2026-2027
10. The Story of God's Provision
 - a. Report of the Treasurer
 - b. Appointment of the Auditors for the fiscal period July 1, 2025 – June 30, 2026

Second Segment

1. Report on Ministry
 - a. Glenmore Christian Academy
 - b. Ministry Story of 2024/2025
2. Question & Answer Session
3. Closing Comments & Prayer

A Note from Pastor James

'Joining Jesus' is more than a phrase.

It captures the heart and soul of our vision – 'Joining Jesus in the Renewal of all Things.' We do not always know the details, but we do know the destination – to see God's Kingdom come and his will to be done, here on earth just like in heaven. We choose to align with whatever Jesus is already doing. Which is why we prioritize building capacity in three significant areas:



There are many other things to celebrate from this past year together, including:

- Our **'FAC As One'** gathering of all 5 campuses at Spruce Meadows on June 8, with 4,200 in person and another 400 simultaneously joining online.
- The expansion of the **SW Ministry Centre**, more than doubling the available space.
- Our **brand new website** launching this fall.

Most of all, my prayer is that each one of us will choose to go deeper and be *all in*. Some of our teaching series this past year intentionally spoke into these areas of engagement:

Formation – offering a discipleship pathway that is clear and effective. We want to be disciples who make disciples! This past year we've clarified our **First Steps – A,B,C,D:**

- **Alpha** – what a great place to start, and if you have already taken it, a great place to bring a friend.
- **Baptism** – we are anticipating wonderful baptism services on November 22&23, celebrating the new life Jesus gives us.
- **Catechism** – a practice of the church through the ages that helps us both grow in faith and align ourselves with Jesus. Our first classes were held in October this year.
- **Discipleship Bands** – I am so encouraged about how many of you have chosen to participate in these accountability groups, banding together as we learn to become more like Jesus.

Vocation – developing Christ-like competent leaders, both inside and outside the church. Our 'Called or Curious' evenings had 90 participants, with 20 participating in our pilot study project. The goal is to embed ministry formation, mentoring and training within our church, creating new pathways into vocational ministry. Our partnership with Ambrose University is strong and we plan to launch at scale in the fall of 2026.

Multiplication – expanding our missional skillset. We have been dreaming of 10 new expressions of FAC within 10 years. The first of our new ventures was the launch of FAC em Português last year. We are currently and prayerfully exploring a number of possibilities, both in Calgary, and beyond. We want to discern clearly where Jesus is leading us next.



Watch or Listen to past weekend services anytime on the FAC Experience app or visit: facalgary.com/pastorservices

Is this you? *Are you all in?* You'll hear much more about these opportunities at all of our campuses on Vision Weekend (November 15/16), and at our Annual General Meeting on November 17. I hope you can join with us!

I love being your pastor,

James Paton
Lead Pastor

Reflection from our Board of Elders

During our 2024/2025 fiscal year, many new initiatives have taken place as we continue on our journey together of *Joining Jesus in the renewal of all things*.

One of our new initiatives was the October launch of **FAC em Português**, now meeting Saturday evenings at the Deerfoot location, demonstrating a strong culture of serving within their congregation. They continue to build and grow as part of FAC, with a heart to reach the Portuguese-speaking community in Calgary and to serve the Lord with enthusiasm. With our different campuses, we are all able to join Jesus in reaching out to various Calgary communities for His Kingdom!

Regarding **FAC Southwest**, an opportunity came up to expand the SW Ministry Centre in Bridlewood to better support this Campus during the week. Until now, this limited space restricted mid-week gatherings. With this expansion, we can now make use of the larger space in the following ways:

- Larger group sessions can be held within the larger space, and this will be used for various types of gatherings for a growing community.
- There is an opportunity to run English as a Second Language (ESL) classes for those who do not have English as their principal language, a growing need in the surrounding communities where many immigrants are taking up residence, and this will create a demand for this service.
- Currently, youth only gather at the Deerfoot Campus, which is challenging for some of our SW youth, so having space to support mid-week youth activities can help establish a youth group for the SW Campus.
- The renovation/expansion enables additional office space, so SW staff can spend more time working out of this office, in their community.

Also, in this fiscal year, the vision of having an all-campus



service and celebration was achieved with "**FAC As One**". Planning for this started months earlier, after Pastor James had expressed the desire to bring everyone together. We needed a larger venue, and the opportunity to create a partnership with Cavalry FC and to utilize the Spruce Meadows venue made the vision seem possible. After finalizing an agreement with Spruce Meadows and Cavalry FC, a date in June was planned. The launch was planned and the day was to be billed as "FAC As One/Somos Uno/Somos Um," reflecting the 3 languages of our campuses. The location allowed for a full day of connecting as one big church family; enjoying the activities offered at Spruce Meadows and the Cavalry FC match made for a great overall experience! From the sunshine, to everyone who helped out and the staff efforts, this was a great celebration with over 4,000 people coming together to worship the Lord as FAC. It was a wonderful celebration of our community and how faithful God has been.

Finally, I would like to express my gratitude in several ways. Thank you to all of our staff who continue to lead us on the frontline of ministry, and who do this so well. Particular thanks go out to Cathie Hall, who retired over the summer. Cathie was a tremendous help to me at our Annual General Meetings, monthly Elders Board meetings, and other special meetings over many years. She has always been there to support with documents, guidance, and keeping me organized! Thank you, Cathie, for everything, and all the best in retirement.

I have a great appreciation as well for my fellow Elders and for Pastor James, Pastor Kyle and Pastor Jeff, who attend our Board meetings and keep us informed. It's a pleasure serving with all of you and seeing where God leads us.

Thanks also to the members and those who attend FAC; you have made the end of our fiscal year a very positive one with your generosity and support, fuelling us to continue to invest in the lives of others and encourage each one to continue growing in their faith. With God as our guide, we will continue to build into His future for us.

Dave Orr
Chairman, Board of Elders



2024 AGM Minutes

Annual General Meeting of First Alliance Church

Sunday, November 17, 2024

12345 40 Street SE Calgary, AB

First Segment

1. Chairman Dave Orr called the meeting to order by sharing selected highlights from the Ministry Report for July 2023–June 2024.
2. Morgan Paulson, Student Ministries Pastor, opened the meeting in prayer.
3. **Quorum** – the meeting was declared duly constituted based on the number of registered members (140).
4. **Approval of Agenda** – M/S/C to approve the agenda as provided in the Annual Report.
5. **Minutes of the 2023 Annual General Meeting** of Sunday, November 5, 2023 – M/S/C to approve the minutes of the 2023 Annual General Meeting as published in the Annual Report.
6. **Motion to appoint Tellers** for the 2024 Annual General Meeting – M/S/C to appoint Brent Kinnie as Head Teller and to select assistants as required.
7. **Report of the Nominating Committee** – Pastor James Paton provided an overview of the role of the Nominating Committee and the process of nominating elders. The Nominating Committee recommended the following individuals for a 2-year term commencing immediately:
 - Charles Ang (3rd Term)
 - Andres Gutierrez (2nd Term)
 - Arnold Schellenberg (2nd Term)
 - Oludamilola (Dami) Adebayo (1st Term)

The following individuals were nominated to serve on the 2025/26 Nominating Committee:

- Merril Humphrey
 - Erik Kaack
 - Becky Mensah
8. **Election of Elders and the 2025 Nominating Committee** – the election was conducted by ballot. All elders and nominating committee nominees received the required percentage of approval.
 9. **A motion to destroy the ballots** – M/S/C to destroy the ballots.
 10. **The Story of God's Provision**
 - a) Report of the Treasurer – Arnold Schellenberg provided an overview of the financial performance of the church for the 2023/2024 fiscal period. His updates specifically addressed refugee deposits, the capital reserve fund, capital amortization, revenue sources and notable expenses. He concluded by acknowledging the work of the Audit and Finance Committee along with Rob Neumann, Financial Controller.

- b) Appointment of the Auditors for the fiscal period July 1, 2024 – June 30, 2025 – M/S/C to appoint the public accounting firm KPMG LLP as auditors for the fiscal year ending June 30, 2025.
- c) Arnold opened the floor to questions, however, no questions were presented.

Second Segment

1. Report on Ministry

- d) Glenmore Christian Academy – Stan Hielema, Head of School, GCA provided a report on the activities of Glenmore Christian Academy. He acknowledged the work of his board and the board chair, Brian Hargreaves. He also acknowledged retired teachers, the passing of the first principal, Edwin Janz and the passing of the founder of GCA, Wendell Grout. Stan invited alumni student and recent graduate, Logan, to share his perspectives regarding GCA. Logan shared the joy he experienced at the school, his gratitude for the academic challenges and for being at a school that is Christ-centered.
- e) Ministry Story of 2023/24 – Pastor James Paton provided an overview of how God has blessed the activities and efforts of FAC this past year. He started by expressing gratitude for the FAC leadership team, teaching team and entire staff. Capitalizing on the analogy of 'spectacles', James shared the ministry highlights that we have seen in the previous year. He also shared challenges experienced with both the growth of the church and the aging building.

As shared in the weekend services, we are reminded of so many things going on in the church for what we cannot see. We need to keep our eyes open for what God is doing, where He is moving and how we can join in following Jesus.

James encouraged members to pray, not as a last resort, but as our first response. Finally, he took time to express gratitude to those who continue to support him on his ministry journey.

- 2. **Q&A Session** – the congregation was invited to ask questions and offer comments regarding the ministry of FAC. Many provided encouragement and support for the leadership and the efforts of the leaders and staff. The following summarizes some of the comments that were brought forward:

- *What is the cost of food for putting on events and why are other churches able to offer food-based events for less?*
- *Deep appreciation was expressed for the Alpha ministry along with gratitude for those who pray during the Alpha program.*
- *Is Alpha only offered in a one-time slot during the week and year?*
- *Can a course be offered at FAC that is bible-study based, at a strong academic level?*

Questions and comments are always appreciated. The leadership is thankful for your engagement and your views and convictions are always considered as best as possible.

- 3. **Adjournment** – The 2024 Annual General Meeting was closed in prayer by Kyle Trigg, Senior Associate Pastor - Ministry. Motion to adjourn the meeting M/S/C.

Respectfully Submitted,

Dave Orr,
(Chairman of the Board of Elders)

Brad Emery
(Secretary)



Report of the Nominating Committee

Nominations for the Board of Elders for 2025-2027

An elected elder may serve up to 3 two-year terms sequentially and must sit out at least one year before being eligible to serve as an elder again. **After a thorough, prayerful process, the Committee recommends the following names be placed in nomination for a 2-year term commencing Fall 2025:**

Luisa Castiblanco (2nd Term)

Olumide Obafemi (3rd Term)

Craig Bundy (2nd Term)

Susan Kinnie (2nd Term)

Dave Orr (3rd Term)

Carol Braga (1st Term)

Alex Dantas de Souza (1st Term)

Tiffany Ho (1st Term)

Elders serving to Fall 2026:

Charles Ang (3rd Term)

Arnold Schellenberg (2nd Term)

Andrés Gutierrez (2nd Term)

Oludamilola (Dami) Adebayo (1st Term)

Elders not standing for re-election or have completed 3 two-year terms:

Brad Emery

Brian Hargreaves

Jason Sawers

Nominating Committee Members:

Pastor James Paton (Chair), Andrés Gutierrez, Charles Ang, Dami Adebayo

Merril Humphrey, Erik Kaack, Becky Mensah

Provision is made for the addition of names to the Report of the Nominating Committee in Article V of the Church Bylaws.

Article V – Elders

The Nominating Committee shall be comprised of seven (7) members including the Chair.

The Nominating Committee shall follow due process to identify and nominate members for vacant positions of the Board and the following year's Nominating Committee. Any Church Member may submit a name to the Nominating Committee for consideration by providing such name in writing to the Chair of the Nominating Committee by June 30 of each year.

Nominations for the 2026-2027 Nominating Committee for a 1-year term commencing Fall 2025*:

After a thorough, prayerful process, the Committee recommends the following names be placed in nomination to serve on the Nominating Committee for a 1-year term commencing Fall 2025:

1. Thomson Chan

2. Pearl Hystad

3. Jamie Slone

**Personal profiles of nominated Elders and Nominating Committee available on pages 7-8.*

Profiles of Nominated Elders

For a 2-Year Term Commencing Fall 2025



Craig Bundy has attended FAC for 15 years after serving as an International Worker with The Alliance in Latin America and North Africa since 1977. He gave his life to Jesus at 11 and later studied

at Canadian Bible College in Regina and seminary in the Chicago area, where he also served in various pastoral roles. After moving to Calgary, Craig served as Missions Pastor at FAC until retiring in 2019. He loves to pray Luke 10:2, trusting Jesus to send more workers into ministry. Craig is joyfully married to Mora; they have 4 married children and 13 grandchildren.



Luisa Castiblanco has been married to Wilver for 24 years and they are proud parents of Lucas (12). Luisa is originally from Colombia but has called Canada home for more than half her life now.

Her desire is to serve the Lord and His Church with the giftings He has given to her, and loves her FAC family! She has served in DiscoveryLand, with the Hospitality Team, translation for the Spanish Campus, and is currently a member of the Audit & Finance Committee. Luisa is a CPA and works at an Oil and Gas service company, where she gets to share Jesus with those around her.



Susan Kinnie has been attending FAC for 47 years. She came to faith through Camp Chamisall and later got involved Youth ministry. Over the years, she has served in Choir, DiscoveryLand, Alpha,

Prayer, and Hospitality teams. Susan is passionate about building a warm, welcoming church community for all ages and backgrounds. She hopes FAC continues to show Jesus' love by meeting practical needs in Calgary and beyond, and she would love to see more people experience the joy of serving! Susan is married to Brent and they have 3 sons, 2 daughters-in-law, and 2 grandsons.



Olumide Obafemi has been married to Busola for 21 years and have attended FAC since 2015. They have 3 sons: 1 young adult and 2 teenagers (Iyinoluwa, Asheoluwa, and

Modurotoluwa). Olumide has been an administrator at the Preschool Check-In Desk in DiscoveryLand. Olumide works in manufacturing and when not working, enjoys playing board games and taking walks in nature.



Dave Orr has been married to Cathy for 34 years and they have an adult daughter, Sarah, who is married to Joel. Dave is a vice-president of an office products company and

started attending FAC when he moved from Toronto in 1989; Cathy has attended FAC since childhood. He has spiritual gifts in the areas of administration and leadership. In his spare time, Dave enjoys running, reading, and has been excited to become a grandparent to Beckett, who is now 3 years old! He previously served on the Board of Elders from 1999-2004, 2006-2012, and 2014-2020. Dave has also been involved in the After-Service Prayer, Communion, and Hospitality ministries at FAC Deerfoot as well as serving on the Glenmore Christian Academy Educational Society Board until early 2021.



Tiffany Ho has attended FAC for over 20 years and loves being part of her church community. She's passionate about using God-given gifts and currently serves on the Global Missions committee, leads the

FAC International Weekend, and hosts weekend services at the Deerfoot Campus. Her roots with The Alliance began at Glenmore Christian Academy, and she recently completed a 6-year term on the Western District Executive Committee. Professionally, Tiffany is a Managing Director at Accenture, advising clients on business strategy and transformation. She's a foodie and coffee enthusiast who enjoys spending time with friends and family and exploring the world.



Carol Braga and her husband, Rafael, have been married for over 10 years and are proud parents to their 1-year-old daughter, Rebecca. Originally from Brazil, Carol was raised in a faith-filled, musical home and

developed a deep passion for worship and ministry. A former lawyer with over seven years' experience and an LL.M. in Corporate Law, she now works as Compliance Officer for Student Conduct at Bow Valley College. Since moving to Canada 3 years ago, Carol has served joyfully as a worship leader and songwriter at FAC, where she is passionate about leading others to know and grow in Jesus.



Alex Dantas de Souza is a devoted husband, loving father of 2 children, and a committed follower of Christ since 1996. Originally from Brazil, Alex has been living in Canada for the past 8 years, where he

continues to serve God faithfully alongside his family. Married for 25 years, Alex and his wife have built their home on strong Christian values, leading a small group in their home, creating a welcoming space for fellowship, prayer, and spiritual growth. Alex currently serves as a core leader with FAC em Português, actively supporting the campus and helping others deepen their relationship with God. Known for his servant heart, integrity, and dedication, Alex strives to live out the love of Christ in his family, ministry, and beyond.



2026–2027 Nominating Committee

Nomination Profiles

After a thorough, prayerful process, the Nominating Committee recommends the following names be placed in nomination to serve on the Nominating Committee for a 1-year term commencing Fall 2025:

Tomson Chan

Thomson was born in Hong Kong and moved to Canada in 1981, where he came to faith in Christ and was baptized at New Life Church in Vancouver. He has served in various Alliance churches across Canada, as well as South Calgary Chinese Evangelical Free Church and currently attends First Alliance Church (FAC), where he's involved in Global Missions and a small group. A graduate of the University of Alberta in engineering, Thomson has over 30 years of experience in the oil and gas industry and now works as a project management consultant.

Thomson and his wife, Lisa, have been married for over 38 years and have two daughters, Esther and Lillian. In his free time, he enjoys stamp collecting, podcasts, running, and cycling.

Pearl Hystad

Pearl has been attending FAC for 18 years. In 2009, she met her husband Quinn while they were both helping in the Grade 5&6 ministry, and highly recommends serving to anyone who asks if it is important or valuable! Pearl and Quinn have been happily married since 2010, and have 4 children ranging in age from 9 to 27.

Pearl graduated from Steinbach Bible College in 1997 with a Bachelor of Religious Studies, majoring in Missions. While always thinking she would go to the mission field, life circumstances required pivoting and working hard in other ways. Due to the many life curve balls, Pearl started working in the Quick Service Restaurant industry simply to make ends meet but years of dedication and hard work allowed her to partner with her employer and she now is a franchisee with two Quick Service brands in Calgary.

Pearl can be found serving at the FAC Deerfoot Information Desk and Hospitality Team on Saturday evenings as well as on Wednesday nights with Youth. She also helps on the Baptism team, where she has the privilege of sharing this foundational spiritual step with many in the Deerfoot Campus community. Some of her favorite hobbies include bike riding and watching TV shows like *Survivor* and *LegoMasters*.

Jamie Slone

Jamie and his wife Crystal have 4 adult children and are grateful to call FAC their extended family. Jamie serves on the After-Service Prayer team and is active in Men's Groups, hosting Alpha tables, and helping with the Calgary Food Bank. He hosts Bible studies during the summer months and has recently returned to Prairie Bible College to obtain a degree in Pastoral Care and Leadership. In his spare time, Jamie is an avid reader and history enthusiast.



Joining Jesus in the renewal of all things.

Commentary on Financial Results

First Alliance Church of The Alliance Canada
for the Year Ended June 30, 2025

This Commentary on Financial Results is provided to enable readers to assess the financial operations and condition of First Alliance Church ("FAC") for the year ended June 30, 2025. It should be read in conjunction with the audited financial statements, notes and schedules dated October 1, 2025. Unless otherwise noted, reference to dollar amounts in this Commentary are in thousands of Canadian dollars.

Financial Highlights

Total revenues were up 7%, or \$562, to \$8,248. Total expenses, excluding non-cash expenses associated with the amortization of capital assets, increased 4%, or \$262, to \$7,477. The breakdown of revenues, expenses, annual surplus or deficit and fund balance by fund is shown below.

(\$ thousands)	2025	2024	Change	% Change
General Fund				
Revenues	6,380	6,036	344	6%
Staff Costs	(3,769)	(3,866)	97	3%
Ministry Costs	(896)	(783)	(113)	(14)%
Support Costs	(1,291)	(1,254)	(37)	(3)%
Annual Surplus (Deficit)*	424	133	291	219%
Fund Balance - Total	1,957	1,633	324	20%
Capital Reserve** - Restricted	432	500	(68)	(14)%
Fund Balance - Unrestricted	1,525	1,133	392	35%
Missions Fund				
Revenues	1,180	957	223	23%
Expenses	(1,220)	(977)	(243)	(25)%
Annual Surplus (Deficit)*	(40)	(20)	(20)	(100)%
Fund Balance	10	50	(40)	(80)%
Capital Fund				
Revenues	378	385	(7)	(2) %
Expenses	(3)	(4)	1	25%
Non-cash Expenses	(1,247)	(1,151)	(96)	(8)%
Annual Deficit*	(872)	(770)	(102)	(13)%
Fund Balance	24,480	25,252	(772)	(3)%
Purchase of Capital Assets	(501)	(308)	(193)	(63)%
Care Fund				
Revenues	310	308	2	1%
Expenses	(298)	(331)	33	10%
Annual Surplus (Deficit)*	12	(23)	35	152%
Fund Balance	387	375	12	3%

*The terms Surplus and Deficit refer to the Excess (Deficiency) of Revenues over Expenses.

**The term Capital Reserve refers to the Internally Restricted Fund Balance.

General Fund Highlights

The General Fund ended the year with a surplus of \$424 (2024 – \$133 surplus). While regular offerings were flat compared to 2024, revenues benefited from several legacy gifts, as well as a donation from 2 or 3 Church Canada, the former Portuguese congregation. In addition, revenues from rentals of the church facility grew by 21% and recoveries of costs from ministry activities, to which were added revenues from administering The Alliance Canada National Ministry Centre Refugee Program, grew by 52% in 2025.

Ministry costs increased by 14%. These increased costs were recovered through higher ministry revenues as noted above. The 3% rise in Support costs was attributable mainly to the engagement of a firm in 2025 to strengthen information technology operations, planning and cybersecurity. These higher costs were partially offset by reduced repair and maintenance expenses due in part to the replacement of aging mechanical equipment and lower utilities expenses.

Missions Fund Highlights

Revenues and expenses in the Missions Fund increased from the prior year partly due to higher contributions, as well as the revenues and expenses associated with five short-term mission trips to Colombia, Guatemala and Bali in summer 2024 and to Ghana and Cambodia in spring 2025.

Capital Fund Highlights

The Capital Fund ended the year with an \$872 deficit (2024 – \$770 deficit). The deficit is mainly the result of the amortization of capital assets, which is a non-cash expense. Amortization represents the decrease in value of the building, furniture and equipment over their estimated useful lives.

We invested \$501 (2024 – \$308) in capital improvements and equipment during the year. The largest expenditures related to the replacement of aging mechanical equipment, including five air conditioning units, the malfunctioning sound board in the sanctuary, and outdated computer equipment that was no longer able to serve FAC's needs.

Care Fund Highlights

The Care Fund continues to carry a substantial fund balance to provide help to meet the necessities of life for individuals and families experiencing hardship resulting from illness, unemployment, family crisis, and displacement. In 2025, significantly more social assistance was provided to people facing economic challenges, including several who were displaced due to residential fires in Prestwick and Bridlewood.

Summary

The numbers in the table above show that the financial results for the 2024-25 fiscal year were positive overall – notably so for the General Fund. Giving to Missions improved and there was strong support for short-term missions. The Capital Fund had a deficit as explained above, but there were sufficient funds to cover the sizeable purchases of capital assets. The Care Fund had a small surplus and that fund's balance remains very healthy.

The strength of our financial results is testimony to the faithfulness and generosity of FAC's people in their giving. And people are finding that God, in His generosity, enables and rewards such giving (just as our pastors having been teaching us).

Respectfully submitted by Arnold Schellenberg, Treasurer

Financial Statements of

**FIRST ALLIANCE CHURCH
OF THE CHRISTIAN AND
MISSIONARY ALLIANCE**

And Independent Auditor's Report thereon

Year ended June 30, 2025

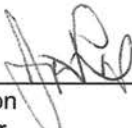
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of First Alliance Church of the Christian and Missionary Alliance (the "Church") have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These financial statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of the Church's reporting systems are achieved through the use of internal controls comprising written policies, standards and procedures, a formal authorization structure, and satisfaction processes for reviewing internal controls and financial information. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Elders (the "Board") is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit and Finance Committee (the "Committee"). The Committee is appointed by the Board and meets periodically with management and the Church's external auditor to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Committee reports to the Board prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members of the Church, the engagement or re-appointment of the external auditor.

The financial statements have been audited on behalf of the members by KPMG LLP, in accordance with Canadian generally accepted auditing standards.


James Paton
Lead Pastor
Rob Neumann
Financial Controller

Calgary, Canada



KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Members of First Alliance Church of the Christian and Ministry Alliance

Opinion

We have audited the financial statements of First Alliance Church of the Christian and Ministry Alliance (the Entity), which comprise:

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

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity 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 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 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 the 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 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 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 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 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 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.
- 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a long, horizontal flourish underneath.

Chartered Professional Accountants

Calgary, Canada

October 1, 2025

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Statement of Financial Position

June 30, 2025, with comparative information for 2024

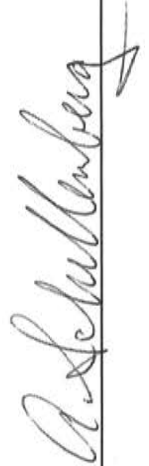
	General Fund	Restricted Funds			Total 2025	Total 2024
		Missions Fund	Capital Fund	Care Fund		
Assets						
Current assets:						
Cash on deposit (note 2)	\$ -	\$ 90,619	\$ 117,725	\$ 388,768	\$ 597,112	\$ 1,027,209
Short-term investments (note 2)	3,444,090	-	-	-	3,444,090	2,849,435
Accounts receivable (note 3)	44,520	-	4,335	-	48,855	48,733
Prepaid expenses	105,699	39,885	-	-	145,584	155,235
Inventory	47,432	-	-	-	47,432	52,925
	3,641,741	130,504	122,060	388,768	4,283,073	4,133,537
Employee loan (note 4)	100,000	-	-	-	100,000	100,000
Capital assets (note 5)	-	-	24,389,970	-	24,389,970	25,150,349
	\$ 3,741,741	\$ 130,504	\$ 24,512,030	\$ 388,768	\$ 28,773,043	\$ 29,383,886
Liabilities and Fund Balances						
Current liabilities:						
Cheques issued in excess of cash on deposit (note 2)	\$ 111,681	\$ -	\$ -	\$ -	\$ 111,681	\$ -
Accounts payable and accrued liabilities (note 8)	309,598	97,617	12,476	1,638	421,329	636,155
Deferred revenue (note 6)	55,757	23,129	19,771	-	98,657	80,675
Deposits on refugee applicants (note 7)	1,307,456	-	-	-	1,307,456	1,357,328
	1,784,492	120,746	32,247	1,638	1,939,123	2,074,158
Fund balances:						
Unrestricted	1,525,548	-	-	-	1,525,548	1,133,395
Externally restricted	-	9,758	89,813	387,130	486,701	526,311
Internally restricted (note 9)	431,701	-	-	-	431,701	499,673
Invested in capital assets	-	-	24,389,970	-	24,389,970	25,150,349
	1,957,249	9,758	24,479,783	387,130	26,833,920	27,309,728
Subsequent events (notes 10 and 11)						
Commitments and contingencies (notes 10 and 11)						
	\$ 3,741,741	\$ 130,504	\$ 24,512,030	\$ 388,768	\$ 28,773,043	\$ 29,383,886

See accompanying notes to financial statements.

Approved on behalf of the Board of Elders:



Director



Director

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Statement of Operations and Changes in Fund Balances

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

	General Fund		Missions Fund	Restricted Funds		Total 2025	Total 2024
	2025	2024		Capital Fund	Care Fund		
Revenues:							
Offerings							
General	\$ 5,161,899	\$ 4,997,750	\$ 836,615	\$ 377,667	\$ 286,007	\$ 1,500,289	\$ 1,364,169
Designated	—	—	327,493	—	14,507	342,000	266,729
Earned revenue and recoveries (Schedule 1)	1,094,680	858,939	15,403	—	10,000	25,403	14,160
Investment income	123,793	178,814	—	—	—	—	—
Gains on disposal of capital assets	—	—	—	—	—	—	5,440
	6,380,372	6,035,503	1,179,511	377,667	310,514	1,867,692	1,650,498
Expenses:							
Staff costs (Schedule 1)	3,769,459	3,866,218	—	—	—	—	—
Ministry costs (Schedules 1 and 2)	896,150	782,276	1,196,555	—	294,707	1,491,262	1,286,332
Support costs (Schedule 1)	1,290,582	1,254,236	23,060	2,763	3,337	29,160	26,116
Amortization of capital assets	—	—	—	1,134,818	—	1,134,818	1,150,828
Loss on disposal of capital assets	—	—	—	112,441	—	112,441	—
	5,956,191	5,902,730	1,219,615	1,250,022	298,044	2,767,681	2,463,276
Excess (deficiency) of revenues over expenses	424,181	132,773	(40,104)	(872,355)	12,470	(899,989)	(812,778)
Fund balances, beginning of year	1,633,068	1,500,295	49,862	25,252,138	374,660	25,676,660	26,489,438
Interfund transfers	(100,000)	—	—	100,000	—	100,000	—
Fund balances, end of year	\$ 1,957,249	\$ 1,633,068	\$ 9,758	\$ 24,479,783	\$ 387,130	\$ 24,876,671	\$ 25,676,660

See accompanying notes to financial statements.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Statement of Cash Flows

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

	General Fund		Restricted Funds			Total
	2025	2024	Missions Fund	Capital Fund	Care Fund	
Cash provided by (used in):						
Operating activities:						
Offerings:						
General	\$ 5,161,899	\$ 4,997,750	\$ 836,615	\$ 377,667	\$ 286,007	\$ 1,364,169
Designated	—	—	327,493	—	14,507	266,729
Deposits on refugee applicants	(49,872)	425,832	—	—	—	—
Earned revenues and recoveries	1,108,416	870,872	15,403	—	10,000	14,160
Investment income	32,144	15,077	—	—	—	—
Staff costs	(3,854,204)	(3,842,388)	—	—	—	—
Ministry costs	(873,944)	(776,776)	(1,200,090)	—	(388,012)	(1,175,633)
Support costs	(1,314,101)	(1,230,316)	(23,060)	(2,763)	(3,337)	(26,116)
	210,338	460,051	(43,639)	374,904	(80,835)	443,309
Investments:						
Purchase of capital assets	—	—	—	(500,515)	—	(307,536)
Proceeds on disposal of capital assets	—	—	—	975	—	5,440
Purchase of short-term investments	(503,006)	(488,084)	—	—	—	—
	(503,006)	(488,084)	—	(499,540)	—	(302,096)
Financing:						
Interfund transfers	(100,000)	—	—	100,000	—	—
(Decrease) increase in cash on deposit	(392,668)	(28,033)	(43,639)	(24,636)	(80,835)	141,213
Cash on deposit, beginning of year	280,987	309,020	134,258	142,361	469,603	605,009
(Cheques issued in excess of cash on deposit) cash on deposit, end of year	\$ (111,681)	\$ 280,987	\$ 90,619	\$ 117,725	\$ 388,768	\$ 597,112
						\$ 746,222

See accompanying notes to financial statements.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements

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

Description of operations:

First Alliance Church of the Christian and Missionary Alliance (the "Church") is a not-for-profit organization incorporated under the Religious Societies Lands Act of Alberta. The Church is a registered charity within the meaning assigned under the Canadian Income Tax Act and accordingly is exempt from income taxes. The Church's mission is to introduce people to Jesus Christ, to grow together in full devotion to Him, and to reproduce this process in others.

1. Significant accounting policies:

The financial statements of the Church have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

(a) Cash and cash equivalents:

Cash consists of cash on hand, deposits with third-party Canadian financial institutions, and cheques issued in excess of cash. Highly-liquid investments with original maturities of three months or less are considered to be cash equivalents.

(b) Short-term investments:

Short-term investments are comprised primarily of highly-liquid investments with original maturities greater than three months but less than or equal to one year or that are redeemable on demand.

(c) Inventory:

Inventory is comprised of groceries and bookstore merchandise and is valued at the lower of cost and net realizable value, as determined by management, with cost being determined on a First-In, First-Out ("FIFO") method. The use of inventory is reported in Schedule 1 under the ministry costs for the Harvest Ministries and the Bookstore. The expenses noted for these ministries' activities consist primarily of the use of inventory. In the event that circumstances which previously caused inventory to be impaired below cost no longer exist, the amount of the impairment is reversed.

(d) Capital assets:

Capital assets are recorded in the Capital Fund at cost less accumulated amortization. Purchased capital assets are recorded at cost and contributed capital assets are recognized at the fair value on the date of contribution when fair value can be reasonably determined. Costs incurred while property is under construction are included in the cost of the asset. Amortization and interest paid on debt acquired to fund the construction are recorded as an expense in the Capital Fund.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 2

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

1. Significant accounting policies (continued):

(d) Capital assets (continued):

Capital assets are amortized on a straight-line basis over their estimated useful lives commencing when assets are placed into service over the following years:

Building	30-50
Computer and audio-visual equipment	4
Furniture and equipment	10
Parking lot	25

The Church regularly reviews its capital assets to eliminate obsolete or impaired items. Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable and exceeds its fair value. When a capital asset no longer contributes to the Church’s ability to provide services, its carrying amount is impaired to its residual value.

(e) Fund accounting:

The Church follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Church’s operations, program delivery and administration of the Church.

The Missions Fund accounts for offerings designated for local and global missions.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Church’s capital assets.

The Care Fund accounts for offerings designated for assisting individuals and families who are experiencing financial and material needs so that the Church can minister to the whole person. The Care Fund also accounts for costs associated with the refugee sponsorship program (note 10), as well as memorial services.

(f) Revenue recognition:

General offerings, which are unrestricted contributions, are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Designated offerings, which are restricted contributions, related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. Contributions received but not recognized as revenue are reported as deferred revenue of the General Fund. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 3

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

1. Significant accounting policies (continued):

(f) Revenue recognition (continued):

Spending of funds is confined to programs and projects approved by the Board of Elders of the Church (the "Board"). Each restricted donation designated toward an approved program or project will be used as designated with the understanding that when the need for such a program or project has been met, or cannot be completed for any reason as determined by the Board, the remaining restricted donations designated for such program or project will be used as the Board determines.

Earned revenues and recoveries are recognized as revenue when the services or goods are provided. Earned revenues include rental revenue, Bookstore sales, Harvest Ministries sales of food and beverages, and event registrations.

(g) Contributed services:

The Church receives the benefit of contributed services from numerous individuals in many service delivery capacities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(h) Future employee benefits:

The Church sponsors a defined contribution pension plan for eligible staff. Employer contributions are included within employee benefits in the General Fund schedule of expenses, earned revenues and recoveries (Schedule 1). This plan provides participants with an account balance at retirement based on the contributions made to the plan and investment income earned on the contributions based on investment decisions made by the participants.

(i) Financial instruments:

(i) Measurement:

The Church initially measures its financial assets and liabilities at fair value, and subsequently measures all financial assets and financial liabilities at amortized cost, except equity instruments quoted in an active market, which are reported at fair value with any unrealized gains and losses reported in excess (deficiency) of revenues over expenses.

Financial assets subsequently measured at amortized cost include cash on deposit and short-term investments, accounts receivable and employee loan. Financial liabilities subsequently measured at amortized cost include cheques issued in excess of cash on deposit and accounts payable and accrued liabilities.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 4

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

1. Significant accounting policies (continued):

(i) Financial instruments (continued):

(ii) Impairment:

Financial assets subsequently measured at amortized cost are tested for impairment when there are indications that an impairment exists. The amount of impairment is recognized as an impairment loss in excess (deficiency) of revenues over expenses. A previously recognized impairment loss may be reversed to the extent of an 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. The amount of the reversal is recognized in excess (deficiency) of revenues over expenses in the period the reversal occurs.

(iii) Transaction costs:

The Church recognizes transaction costs on financial instruments subsequently measured at fair value in excess (deficiency) of revenues over expenses in the period incurred. Financial instruments subsequently measured at amortized cost are adjusted for financing fees and transaction costs which are directly attributable to the origination and acquisition of the financial instruments, and these costs are amortized using the effective interest rate method.

(j) 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 revenues and expenses during the period. Estimates and assumptions include the estimated useful life of capital assets for amortization purposes, accrued liabilities, contingent liabilities relating to the refugee sponsorship program, and the non-recoverable amount of accounts receivable, inventory, and capital assets. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates in future periods could be significant.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 5

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

2. Cash and short-term investments:

The Church considers deposits in banks and investment certificates redeemable on demand as cash and short-term investments as they are readily available to convert into cash.

	2025	2024
Cash		
Cash on deposit	\$ 597,112	\$ 1,027,209
Cheques issued in excess of cash on deposit	(111,681)	–
	<u>\$ 485,431</u>	<u>\$ 1,027,209</u>
Short-term investments		
Marketable securities held for sale	\$ 3,006	\$ –
Prime-linked cashable guaranteed investment certificates	1,019,734	517,647
Other investment certificate	2,421,350	2,331,788
	<u>\$ 3,444,090</u>	<u>\$ 2,849,435</u>

The annual rate of return on the prime-linked cashable guaranteed investment certificates for the year ranged from 2.70% to 4.70% (2024 – 4.70% to 4.95%). Each certificate has a term of one year from purchase and interest is accrued monthly and paid annually on maturity. Partial or full redemptions may be made at any time.

The annual rate of return on the other investment certificate for the year ranged from 2.95% to 6.45% (2024 – 6.45% to 6.70%). The interest earned on the certificate is compounded annually on the July 1 anniversary date to redemption. Partial or full redemptions may be made at any time.

3. Accounts receivable:

	2025	2024
Trade accounts receivable	\$ 27,927	\$ 26,142
Goods and Services Tax receivable	20,928	20,231
Accrued contribution for Canada Summer Jobs program	–	2,360
	<u>\$ 48,855</u>	<u>\$ 48,733</u>

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 6

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

4. Employee loan:

The employee loan relates to a housing loan that is non-interest bearing and is secured by a mortgage and registerable charge against the related property. While there is no set repayment term, the loan is due within 30 days upon discontinued employment with the Church or disposition of the related property by the employee. If, for any reason, the amount is not repaid within 30 days of being called, the loan will bear interest at the bank's prime rate plus 8% per annum. As at June 30, 2025, the Church has \$100,000 (2024 – \$100,000) owing from the employee.

5. Capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 4,617,440	\$ –	\$ 4,617,440	\$ 4,617,440
Building	29,184,052	10,499,357	18,684,695	19,467,541
Computer and audio-visual equipment	1,443,166	1,173,627	269,539	98,561
Furniture and equipment	2,670,453	2,245,363	425,090	537,615
Parking lot	702,455	320,389	382,066	429,192
Leasehold improvements	6,890	–	6,890	–
Intangible assets	4,250	–	4,250	–
	\$ 38,628,706	\$ 14,238,736	\$ 24,389,970	\$ 25,150,349

The Church's leasehold improvements and intangible assets were not yet in service at June 30, 2025 so no amortization was calculated.

6. Deferred revenue:

The amounts representing deferred revenue are restricted externally in the manner in which such funds may be used. The restrictions are determined by arrangements between the Church and the specific parties involved in the programs:

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 7

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

6. Deferred revenue (continued):

	2025	2024
Event registrations	\$ 37,505	\$ 33,070
Event deposits	18,129	17,507
Gift card unearned revenue	123	494
Deferred revenue for short-term mission trips	23,129	9,833
Deferred revenue on account of capital	19,771	19,771
	<u>\$ 98,657</u>	<u>\$ 80,675</u>

7. Deposits on refugee applicants:

The amounts representing deposits on refugee applicants relate to funds received from third parties who have prepaid refugee commitments on applications under the Church's agreement with the Government of Canada to sponsor refugees (note 10). Funds are held on behalf of the third-party sponsors and do not relate to Church operations. As at June 30, 2025, the Church held \$1,307,456 (2024 – \$1,357,328) of these deposits.

8. Credit facilities:

At June 30, 2025, the Church had the following credit facilities available with a lender:

A revolving demand facility loan with a \$600,000 limit (2024 – \$600,000) that bears interest at the bank's prime lending rate plus 0.50% per annum. As at June 30, 2025, \$nil (2024 – \$nil) was drawn on the facility.

A business credit card facility with a \$200,000 limit (2024 – \$200,000). As at June 30, 2025, \$27,747 (2024 – \$30,237) was drawn on the credit card facility. These amounts are included in accounts payable and accrued liabilities on the statement of financial position.

All facilities are secured by a general security agreement covering all of the assets of the Church and a collateral mortgage in the amount of \$16,000,000 on the land and building owned by the Church.

Access to these credit facilities requires that annual audited financial statements be provided to the lender within 120 days of each fiscal year end. During the year ended June 30, 2025, the Church was in compliance with this requirement.

9. Internally restricted fund balance – General Fund:

During the year, the Board restricted \$120,000 (2024 – \$120,000) of previously unrestricted net assets of the General Fund to be used for major facility replacement projects as required in the future.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 8

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

9. Internally restricted fund balance – General Fund (continued):

During the year, the Board authorized the use of the internally restricted net assets to purchase capital assets of \$187,972 (2024 – \$220,327).

	2025	2024
Fund balance at beginning of year	\$ 499,673	\$ 600,000
Unrestricted net assets restricted during the year	120,000	120,000
Restricted net assets used for capital asset purchases	(187,972)	(220,327)
Fund balance at end of year	\$ 431,701	\$ 499,673

10. Commitments and contingencies:

Commitments:

The Church has lease commitments for facility and equipment and a contractual commitment for information technology services. On April 1, 2025, the facility lease was extended for an additional four years commencing on July 1, 2026, and is scheduled to expire on June 30, 2030. Furthermore, effective September 1, 2025, the amount of leased space was expanded from 1,838 square feet to 3,975 square feet.

Minimum payments for these leases, excluding annual operating costs, and the services contract are as follows:

	Facility	Equipment	Information technology services	Total
2026	\$ 36,801	\$ 18,668	\$ 89,670	\$ 145,139
2027	39,750	6,223	89,670	135,643
2028	39,750	—	—	39,750
2029	39,750	—	—	39,750
2030	39,750	—	—	39,750
	\$ 195,801	\$ 24,891	\$ 179,340	\$ 400,032

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 9

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

10. Commitments and contingencies (continued):

Contingent liabilities:

The Church has entered into an agreement with the Government of Canada to sponsor refugees. The Church is the Sponsorship Agreement Holder ("SAH") and either supports refugees on its own or works with other groups or individuals, called "constituent groups" ("CGs") or "co-sponsors", to support refugee applicants during their first year in Canada. As an SAH, the Church commits to financially supporting refugees during their sponsorship, providing settlement services to refugees, and overseeing all CGs and co-sponsors with whom the Church chooses to work.

Payments to refugees are only made when they arrive in Canada. To the extent that CGs and co-sponsors are unable to fulfill their financial obligations, and the deposits held by the Church for individual refugee applicants (note 7) are insufficient to cover the financial commitments, the Church is contingently liable for financial support up to the amount specified by Immigration, Refugees and Citizenship Canada ("IRCC") for each applicant. To the extent that the Church has taken on refugee applicants of its own, the Church is contingently liable for financial support for a minimum of the amount specified by IRCC. During the year, the Church paid \$95,051 (2024 – \$66,466) in direct support. As at June 30, 2025, the Church has estimated its contingent liability at \$119,400 (2024 – \$172,300).

11. Contractual obligation:

The Christian and Missionary Alliance in Canada ("The Alliance Canada") is similarly an SAH with the Government of Canada and works with CGs throughout Canada to support refugee applicants during their first year in Canada. Effective December 1, 2024, the Church entered into a contract with The Alliance Canada to provide administrative services to The Alliance Canada with respect to its refugee sponsorship agreements and sponsorship undertakings with IRCC. The services provided by the Church entail full administration of all refugee applications through to closure.

In April 2025, IRCC requested the Church be added as a co-signatory and party to all of The Alliance Canada's sponsorship undertakings. In turn, The Alliance Canada indemnified the Church to the extent that CGs are unable to fulfill their obligations for financial support to the refugees. As a result, the Church has no contingent liability for their financial support.

Commencing in July 2025, the Church began receiving funds from The Alliance Canada's CGs who have prepaid refugee commitments. The Church will use these funds to make payments to refugees when they arrive in Canada. These funds do not relate to Church operations.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 10

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

12. Controlled entity:

The Church controls the Glenmore Christian Academy Educational Society (the "Society"), which owns and operates Glenmore Christian Academy ("GCA"). The Society is a registered charity whose purpose is to provide schooling for children from Kindergarten to Grade 9. The Church's Board of Elders are the members of the Society and as such appoint the Society's Board of Directors.

The financial statements of the Society have not been consolidated in the Church's financial statements. Financial statements of the Society are available on request. Financial summaries of this unconsolidated entity as at August 31 and for the year then ended are as follows (amounts in tables below are shown in \$000's):

	2024	2023
Financial position:		
Total assets	\$ 30,303	\$ 28,357
Total liabilities	\$ 5,621	\$ 5,605
Total net assets	24,682	22,752
Total liabilities and net assets	\$ 30,303	\$ 28,357
Results of operations		
Total revenues	\$ 15,401	\$ 14,261
Total expenses	13,471	12,258
Excess of revenues over expenses	\$ 1,930	\$ 2,003
Cash flows		
Cash from operations	\$ 2,791	\$ 2,688
Cash used in investing activities	(701)	(360)
Cash used in financing activities	(45)	(45)
Increase in cash and cash equivalents	\$ 2,045	\$ 2,283

The Society's financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. However, unlike the Church, the Society follows the deferral method of accounting for which restricted contributions are not recognized into revenue until the period in which the related expenses are incurred. Were the Society to recognize revenue under the restricted fund method of accounting, the results of its operations and financial position could be significantly different than those noted above.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 11

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

12. Controlled entity (continued):

The resources of the Society are restricted in that as of August 31, 2024, \$680,859 (August 31, 2023 – \$707,171) of cash is restricted for specific projects. In addition, as part of the Society's facility agreement, the operating line of credit of \$nil at August 31, 2024 (August 31, 2023 – \$nil) and credit cards of \$30,243 (August 31, 2023 – \$47,078) are secured by a general security agreement covering all current and future assets of the Society in the amount of \$8,500,000 and the assignment of an insurance policy.

13. Related parties:

During the year ended June 30, 2025, the Church entered into transactions with related parties, which consisted of members of the Board of Elders and companies related thereto. Included in support costs expenses and purchase of capital assets for the year ended June 30, 2025 were \$41,150 (2024 – \$35,824) for office supplies, \$nil (2024 – \$1,450) for building supplies, and \$nil (2024 – \$1,200) for rent assistance. The transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Church entered into a rental agreement for its Southwest Campus with the Society, starting September 1, 2019 and renewing automatically each year until terminated by either party upon written notice. The Church has exclusive access to the theatre, theatre foyer, cafeteria, west gym and other rooms on Sunday mornings. Part of the agreement requires the Church and the Society to purchase certain equipment, the cost of which will be shared equally. The shared capital expenditures are valued at \$156,324, of which \$81,710 and \$74,614 were spent in the years ended August 31, 2019 and August 31, 2020, respectively; there were no new costs in succeeding years.

The agreement stipulated that, if the agreement is terminated by the Society, the Church's 50% share of the total cost of the shared equipment, reduced by 20% each fiscal year that passes from the beginning of the contract, will be charged back to the Society. The chargeback provision expired on August 31, 2024.

14. Financial instruments risks:

The Church is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the statement of financial position date.

(a) Credit risk:

Credit risk arises from the possibility that third parties may default on their financial obligations. The Church is exposed to credit risk on cash, short-term investments, employee loan, and accounts receivable.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

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

14. Financial instruments risks (continued):

(a) Credit risk (continued):

The Church's accounts receivable are due from a diverse group of customers and as such are subject to normal credit risks.

The Church's credit risk exposure on cash on deposit and the prime-linked cashable guaranteed investment certificates is minimized substantially by ensuring that these financial instruments are held with a large Canadian financial institution. The Church's other short-term investment is held with The Western Canadian District of The Alliance Canada (the "District"). The District in turn loans these invested funds to churches for capital acquisition or construction. The District is registered on title as owner of the property securing the loan, which, in the absence of any significant decline in the fair market value of the property, ensures the recoverability of loans outstanding. In addition, the District maintains a credit facility with sufficient room in the facility to repay all of the Church's investment on demand.

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk, and other price risk as further described below.

(i) Currency risk:

Currency risk is the risk that the value of financial instruments denominated in currencies other than the reporting currency of the Church will fluctuate due to changes in foreign exchange rates. The Church's exposure to foreign currency exchange risk is not considered significant by management.

(ii) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in prevailing interest rates. The Church is not exposed to interest rate risk or cash flow risk associated with a variable interest rate loan facility.

(iii) Other price risk:

Other 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 caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Church is not exposed to significant other price risk.

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

14. Financial instruments risks (continued):

(c) Liquidity risk:

Liquidity risk is the risk that the Church will encounter difficulty in meeting obligations associated with financial liabilities. The Church prepares annual budgets for the General, Missions and Capital Funds and actively monitors its cash flows from operating, investing and financing activities. The Church is exposed to liquidity risk by being dependent on continued offerings for cash inflows and on the bank for renewing the credit facilities (note 8).

There have been no significant changes to the risk exposures from 2024.

15. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year. These reclassifications did not impact the Church's excess (deficiency) of revenues over expenses or fund balances.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Schedule 1: General Fund Schedule of Expenses, Earned Revenues and Recoveries

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

	2025			2024		
	Earned			Earned		
	Expenses	Revenues and Recoveries	Net Expenses (Revenues)	Expenses	Revenues and Recoveries	Net Expenses (Revenues)
Staff costs						
Salaries and wages	\$ 3,195,677	\$ 9,000	\$ 3,186,677	\$ 3,296,117	\$ 27,000	\$ 3,269,117
Employee benefits	573,782	—	573,782	570,101	—	570,101
	\$ 3,769,459	\$ 9,000	\$ 3,760,459	\$ 3,866,218	\$ 27,000	\$ 3,839,218
Ministry costs*:						
Bookstore	\$ 49,943	\$ 76,977	\$ (27,034)	\$ 48,160	\$ 76,366	\$ (28,206)
Care and support (congregational care, recovery, community support and global missions)	26,098	14,231	11,867	35,252	11,109	24,143
Children's ministries	35,824	13,004	22,820	43,222	10,652	32,570
Communications and events	96,970	38,458	58,512	72,638	7,847	64,791
Discipleship – First Steps (formerly Grow - baptism, Alpha, classes and prayer) and Serve (volunteer support) ministries	64,804	250	64,554	63,232	2,105	61,127
Discipleship – Next Steps (formerly Connect - small groups, men's and women's ministries)	45,881	38,394	7,487	37,727	30,832	6,895
Family, marriage and seniors	44,403	30,880	13,523	40,671	26,303	14,368
Harvest Ministries	137,186	172,141	(34,955)	102,774	147,307	(44,533)
Portuguese Campus	21,962	4,176	17,786	—	—	—
Southwest Campus	107,528	19,473	88,055	100,293	19,440	80,853
Spanish Campus	33,825	5,293	28,532	27,962	7,901	20,061
Student ministries	44,165	17,940	26,225	43,396	19,706	23,690
Technical arts and Online Campus	45,377	—	45,377	46,535	—	46,535
Worship arts	40,449	11,473	28,976	37,905	12,311	25,594
Worship arts – School of Music	101,735	113,070	(11,335)	82,509	85,788	(3,279)
	\$ 896,150	\$ 555,760	\$ 340,390	\$ 782,276	\$ 457,667	\$ 324,609

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Schedule 1: General Fund Schedule of Expenses, Earned Revenues and Recoveries (continued)

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

	2025				2024			
	Earned		Earned		Earned		Earned	
	Expenses	Revenues and Recoveries	Net Expenses (Revenues)		Expenses	Revenues and Recoveries	Net Expenses (Revenues)	
Support costs*:								
C&MA district operating	\$ 154,857	\$ -	\$ 154,857	\$ 149,932	\$ -	\$ 149,932	\$ 149,932	
Finance	187,519	-	187,519	194,613	-	194,613	194,613	
Information technology	240,729	-	240,729	127,212	-	127,212	127,212	
Maintenance and repairs	196,814	-	196,814	262,966	-	262,966	262,966	
Office administration	56,673	-	56,673	54,349	-	54,349	54,349	
Office rent	33,242	-	33,242	48,898	-	48,898	48,898	
Pastoral administration	80,306	-	80,306	82,655	-	82,655	82,655	
Rental and other revenues	73,421	529,920	(456,499)	50,834	374,272	(323,438)	(323,438)	
Utilities	267,021	-	267,021	282,777	-	282,777	282,777	
	\$ 1,290,582	\$ 529,920	\$ 760,662	\$ 1,254,236	\$ 374,272	\$ 879,964		
Grand total	\$ 5,956,191	\$ 1,094,680	\$ 4,861,511	\$ 5,902,730	\$ 858,939	\$ 5,043,791		

*Support costs and ministry costs are presented separately from staff costs.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Schedule 2: Missions Fund Schedule of Ministry Expenses

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

	Undesignated	Donor Designated	2025 Total
Alliance foreign missions	\$ 624,814	\$ 156,878	\$ 781,692
Alliance home missions	21,500	1,020	22,520
Ambrose University	500	600	1,100
Camp Chamisall	12,434	2,920	15,354
Commissioned missionaries	48,525	121,229	169,754
Other Christian organizations	51,000	44,846	95,846
Short-term missions	110,289	—	110,289
	\$ 869,062	\$ 327,493	\$ 1,196,555

	Undesignated	Donor Designated	2024 Total
Alliance foreign missions	\$ 569,049	\$ 120,694	\$ 689,743
Alliance home missions	21,900	1,020	22,920
Ambrose University	—	1,200	1,200
Camp Chamisall	13,033	7,645	20,678
Commissioned missionaries	45,000	105,796	150,796
Other Christian organizations	24,150	17,711	41,861
Short-term missions	27,661	—	27,661
	\$ 700,793	\$ 254,066	\$ 954,859

Joining *Jesus*

in the renewal of all things.

(Revelation 21:5a NLV)



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