



Annual
Report
2024

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Design & Layout: Julie McPhail

Content & Editing: Cathie Hall



Main Office: 12345 40 Street SE Calgary, Alberta T2Z 4E6

Phone: 403-252-7572 | Email: info@facalgary.com

facalgary.com

Table of Contents

2024 AGM Agenda	1
A Note from Pastor James Paton	2
Reflections from our Board of Elders	3
2023 AGM Minutes	4
Report of the Nominating Committee	6
Profiles of Nominated Elders	7
Profiles of 2024-2025 Nominees	8
Treasurer's Commentary on the Financial Results	10
Audited Financial Statements	12

Agenda

Annual General Meeting of First Alliance Church Sunday, November 17, 2024

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 5, 2023
6. Motion to Appoint Tellers for the Annual General Meeting
7. Report of the Nominating Committee for 2024-2025
8. Election of Elders
9. Election of the Nominating Committee for 2025-2026
10. The Story of God's Provision
 - a. Report of the Treasurer
 - b. Appointment of the Auditors for the fiscal period July 1, 2024-June 30, 2025

Second Segment

1. Report on Ministry
 - a. Glenmore Christian Academy
 - b. Ministry Story of 2023/2024
2. Question & Answer Session
3. Closing Comments & Prayer

A Note from Pastor James

I am so grateful to God for all he has done for us. As we

ventured into a new year at FAC, 'Joining Jesus,' but not always sure where that commitment would lead, we have been reminded of God's direction, provision, and presence in our lives. We are simply trying to align with what he is already doing.

That doesn't mean we just sit around. In fact, good stewardship of the gifts and talents God has blessed us with has led us to prioritize building capacity in three significant areas:

- **FORMATION** – *The development of a discipleship pathway that is clear and effective. After all, we want to be disciples who make disciples.*
- **VOCATION** – *Addressing the need for Christ-like competent leaders, both inside and outside the church.*
- **MULTIPLICATION** – *Expanding our missional skillset to include church planting, multiple campuses, language diversity, among other things.*

We have been dreaming of 10 new expressions of FAC within 10 years. At first that sounded daunting – at least to me. But you quickly engaged in the vision process and soon we had more ideas than we could realistically handle! It was a wonderful reminder that Jesus is building His church, and He is simply inviting us to *join Him*.

And so began a process of discernment. *How good is our God that He comes alongside us?* I'm so grateful to our Board of Elders, Lead Team, and Campus Pastor Team, who have been a significant part of this process.



As you are doubtless aware, the first of our new ventures has been the launch of FAC em Português. It has been a

delight to welcome our new friends as part of our church family. Their enthusiasm is contagious!

You will hear much more about these discipleship, leadership, and multiplication opportunities at all of our campuses on Vision Weekend (November 16/17), and at our Annual General Meeting (the evening of November 17). I hope you can join with us.

A personal highlight for me has been working with our Teaching Team on a number of significant sermon series in 2023/24 such as *Unwavering* (Daniel), *How Jesus Saves* (Atonement), *In Pain And Suffering* (healing), and our current series, *Honest to God* (praying the Psalms).

Jesus told us He is making everything new and He is inviting each one of us to join Him – all praying, all helping, all giving. Thank you for your faithful support in so many ways. I am so glad you are all in!

I love being your pastor,

James Paton
Lead Pastor



Reflection from our Board of Elders

The past year has been an exciting one at FAC. There have been many changes, many blessings to be grateful for, and things to look forward to as we step into the future that God has for us. **We are truly a blessed people!**



The fiscal year of 2023/2024 started with changes to our Lead Team structure. Composed of Briana Southerland, Heather Laubenstein, James Paton, Jeff Marshall and Kyle Trigg, the Lead Team kicked us off into a new fiscal year in July and launched us into the new ministry year in September. This group has led our staff team into new areas, with a focus on how we continue to become stronger disciples of Jesus, how we reach out to our community locally and globally, and how we operate multiple FAC Campuses efficiently and effectively. **Thanks to all of our staff for their efforts during the past year, and to the Lead Team for providing the guidance and mentoring necessary to continue to move forward.**

An exciting new step taken this past year was beginning the process of adopting 2or3 Church into the FAC family.

During March at our Elders retreat, Pastor James discussed with us the possibility of another church interested in adoption by FAC – we just didn't think it would happen so quickly! We discussed opportunities and challenges related to bringing an existing church into FAC. Then an opportunity arose with *2or3 Church* – we worked through many questions, saw their leadership's heart for God and the concern for future generations, and met and prayed about this on both sides. With a stirring from God that this was the right direction to take, we now have an exciting new campus, **FAC em Português**, that will officially launch on October 26, 2024. Please pray that they will have a sense of unity within the FAC family, and that they will continue to reach out with love to Portuguese-speaking people in Calgary.

Previously, Pastor James had outlined the vision of **Joining Jesus in the renewal of all things**. While this involves many

aspects, one area that was discussed at the Board of Elders level was spiritual formation and growing ourselves as disciples of Jesus. The term used may be disciple or apprentice however, the intent is the same – to live out a life devoted to Jesus, and to follow Him. One of the ways to help us advance in living out a life devoted to Christ is the transformation that can happen to us and for us when we are involved in a small group or small band of Christ followers. This led to a large amount of planning, pre-development of groups, and experiences developing the concept. The experiences by and large have been very positive, and now our desire is to have everyone in the church involved in this formation step – so please reach out to join a discipleship band! You will find that a band can offer you empathy, a community of grace, and a safe place to discuss soul issues with people that will become a part of your core circle. As with anything valuable, it does take a bit of an investment of time but not an onerous amount – and the return on the investment is huge. It is time well spent with God and with others.

I would also like to take this opportunity to thank the Board of Elders for their input, service and dedication throughout the year. The Elders commitment to God, to FAC and to serving is an example to me each time we meet. In particular, I would like to extend thanks to Luisa Castiblanco and Susan Kinnie, for their willingness to have their names stand last year as the first women Elders elected in the history of FAC, and for the many contributions they have made during this past year around the Board table.

I believe that many exciting things are ahead for us as a people and a church, so let's continue to join Jesus in the work He is doing, and to follow where He leads us!

Dave Orr
Chairman, Board of Elders

Watch or Listen to past weekend services anytime on the **FAC Experience app** or visit: faccalgary.com/watch/past-services.



2023 AGM Minutes

Annual General Meeting of First Alliance Church
 Sunday, November 5, 2023
 12345 40 Street SE Calgary, AB

First Segment

1. Pastor James Paton called the meeting to order.
2. Carter Reimer, SW Campus Pastor, opened the meeting in prayer.
3. **Quorum** – the meeting was declared duly constituted based on the number of registered members (160).
4. **Approval of Agenda** – M/S/C to approve the agenda as provided in the Annual Report.
5. **Minutes of the 2022 Annual General Meeting** of Sunday October 30, 2022 – M/S/C to approve the minutes of the 2022 Annual General Meeting as published in the Annual Report.
6. **Minutes of the Special Congregational Meeting** of Sunday November 27, 2022 – M/S/C to approve the minutes of the Special Congregational Meeting of Nov. 27, 2022, as published in the Annual Report.
7. **Motion to appoint Tellers** for the 2023 Annual General Meeting – M/S/C to appoint Merrill Humphrey as Head Teller and to select assistants as required.
8. **Report of the Nominating Committee of 2023/24** – Pastor James 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:
 - Luisa Castiblanco (1st Term)
 - Brad Emery (3rd Term)
 - Brian Hargreaves (3rd Term)
 - Jason Sawers (2nd Term)
 - Susan Kinnie (1st Term)
 - Olumide Obafemi (2nd Term)
 - Dave Orr (2nd Term)
 The following individuals were nominated to serve on the 2024/25 Nominating Committee:
 - Licia Corbella-Gardiner
 - Craig Jones
 - Rick Robson
9. **Election of Elders and the 2024 Nominating Committee** – the election was conducted by ballot. All elders and nominating committee nominees received the required percentage of approval.
10. A motion to destroy the ballots – M/S/C to destroy the ballots.
11. **The Story of God's Provision:**
 - a) Report of the Treasurer – Victor Wong provided an overview of the financial performance of the church for the 2022/2023 fiscal period. He thanked the work and efforts of Rob Neumann, Financial Controller, as well as the Audit and Finance Committee. He concluded his presentation with an encouragement for the congregation to reflect on Malachi 3:10-12, to test the Lord by bringing in the whole tithe, and then receive His tremendous blessing of provision.

Victor opened the floor to questions. Only one question was put forward:

Q1: *How is the 'Free Cash' managed?*

A1: The free cash is invested in short term deposits with the goal of achieving the highest return while maintaining liquidity. There are also funds invested with the District Office which offers a high return and are available as required for operating purposes.

- b) **Appointment of the Auditors** for the fiscal period July 1, 2023-June 30, 2024 – M/S/C to appoint the public accounting firm KPMG LLP as auditors for the fiscal year ending June 30, 2024.

Second Segment

1. Report on Ministry:

- a) **Glenmore Christian Academy** – Stan Hielema, Head of School, GCA provided a report on the activities of Glenmore Christian Academy. A video was shown featuring students of GCA responding to their personal understanding of GCA's mission.
- b) **Ministry Story of 2022/23** – Pastor James Paton provided an overview of how God has blessed the activities and efforts of FAC this past year. Some of the highlights included the launch of FAC Español, developing a microsite model to enhance opportunities for people to engage wherever they are, the transformation of our Student Ministries and the many ways we serve the surrounding communities in south Calgary.

The focus of the past year has been on 'Going Deeper', 'Moving Closer' and 'Reaching Further'. As we look ahead a fresh and expanded vision has emerged. It involves 'Joining Jesus' in what He is up to in our city. Pastor James thanked the church family for faithfully supporting the church's efforts and encouraging us to dare to dream together.

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:

- *The pastors and leaders were congratulated for managing things so well.*
- *Has consideration been made for pastoral staff to participate in after-service prayer?*
- *Preaching pastors were encouraged to continue beyond the scheduled service times as the Spirit leads.*
- *Is it possible to get notes of the sermons and any other resources that would be helpful for people in their self-study?*
- *Could apologetics and resources be emphasized more?*
- *In reference to our 10-in-10 vision, what do we think is the first to pursue?*
- *Appreciation for Pastor James was offered.*
- *How could we be more accommodating to homeless people in our church?*

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 2023 Annual General Meeting was closed in prayer by Cory Harasym, Online Campus Pastor.

Respectfully Submitted,

Dave Orr,
(Chairman of the Board of Elders)

Phil Bauer
(Secretary)



Report of the Nominating Committee

Nominations for the Board of Elders for 2024-2026

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 2024:**

Charles Ang (3rd Term)
Arnold Schellenberg (2nd Term)

Andres Gutierrez (2nd Term)
Oludamilola (Dami) Adebayo (1st Term)

Elders serving to Fall 2025:

Luisa Castiblanco (1st Term)
Brad Emery (3rd Term)
Brian Hargreaves (3rd Term)
Jason Sawers (2nd Term)

Susan Kinnie (1st Term)
Olumide Obafemi (2nd Term)
Dave Orr (2nd Term)
Craig Bundy (1st Term)

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

Daniel Hui

Nominating Committee Members:

Pastor James Paton (Chair), Brian Hargreaves, Susan Kinnie, Brad Emery, Licia Corbella-Gardiner, Craig Jones, Rick Robson

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 2025-2026 Nominating Committee for a 1-year term commencing Fall 2024*:

Merril Humphrey
Erik Kaack
Becky Mensah

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

Profiles of Nominated Elders

For a 2-Year Term Commencing Fall 2024



Oludamilola (Dami) Adebayo – Dami and her husband Bayo joined FAC in December 2019 a couple of weeks after they landed in Canada from Nigeria. They are blessed and eternally grateful for their twin daughters Ewaife and Ewaire who are students at Glenmore Christian Academy.

She is passionate about her walk with God and has a keen interest in studying the Bible. She currently serves on the Hospitality team, the Prayer Team and recently started to lead a small group meeting alongside her husband. In her free time, Dami enjoys family time, cooking, watching movies and travelling.



Charles Ang – Charles has attended FAC ever since he was dedicated as a baby by Dr. Wendell K. Grout at FAC's former Glenmore Trail location. He grew up in the church and is a proud alumnus of FAC's affiliated school, Glenmore Christian Academy.

Charles has served with the church's Hospitality Team since about 2013. He has also provided pro bono assistance in his capacity as a lawyer, when called upon. When Charles has free time from his practice as a litigation partner at a regional law firm, he enjoys competing in game nights with his friends and visiting his rambunctious nephews in Vancouver. He has a keen interest in Calgary's social welfare system and the Church's involvement in community outreach.



Andres Gutierrez – Andres is married to Paula; they are a family restored by the Lord. Paula is the “mother of the heart” to their 2 wonderful children Santi and Sophia. Andres has been attending FAC since January 2019 and has served in various roles: leading the first Deerfoot Campus soccer camp, hosting a Spanish small group, as well as the Environments Team in the technical booth. He is currently serving as Stage Manager with the FAC en

Español campus. Andres works as a Senior Manager at the Canadian Red Cross and loves helping and encouraging others during difficult times. In his free time, Andres enjoys reading the scriptures, cooking, spending time with his family, eating ice cream and enjoying the outdoors, playing soccer or coaching Santi's soccer team.



Arnold Schellenberg – Arnold and his wife Phyllis have been attending FAC since 2001. They have 2 adult sons: Nathan in Regina, Duane in Calgary with his wife and son. Spending time with their grandson has been one of Arnold's favourite activities since retiring (business planner at City of Calgary) in 2013. He also enjoys watching TV sports with Phyllis, shooting and editing photos, music, and managing personal investments. Arnold has found

encouragement and spiritual growth through his involvements in FAC: Choir, Care & Support Ministry, Audit & Finance Committee, and the Board of Elders.



2025-2026 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 2024:

- **Merril Humphrey** - Merrill was a Medical Assistant in the Royal Canadian Navy before moving into the field of Health and Safety as a Canadian Registered Safety professional. He was the owner/operator of his own company "IN Safety!" before his retirement. Merrill and his wife Joy have attended FAC since 2007 and he has been involved in Alpha, After Service Prayer Team, Inner Healing Ministry, Prayer retreats and co-leading studies.

Merril and Joy have been happily married for 42 years and are blessed with three beautiful daughters, two granddaughters and a grandson.

- **Erik Kaack** - Erik has enjoyed a rewarding and challenging career in the human resources field in agriculture, utilities and the oil and gas industry. He and his family have been attending FAC since 2015. Erik has served in various ministries including Celebrate Recovery, Tool Team, Oil Change Day and hospitality services. In his spare time, Erik enjoys gardening and has recently taken up leather craft.
- **Becky Mensah** - Becky, originally from Ghana, has lived in Canada for over 40 years. She is the owner of Becky's Draperies, providing custom window coverings. She has called FAC her home church and family since 2008. Becky is passionate about prayer, and influencing people to understand the need for prayer and reaching the unsaved through compassion. She organizes our Prayer Retreats, has been part of our prayer teams since 2010 and is involved with prayer ministries across Alberta, in the business community and throughout the nation. Becky has 3 adult children, all born and raised in Canada.



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, 2024

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, 2024. It should be read in conjunction with the audited financial statements, notes and schedules dated September 30, 2024. **Unless otherwise noted, reference to dollar amounts in this Commentary are in thousands of Canadian dollars.**

Financial Highlights

Total revenues were up 4%, or \$308, to \$7,686. Total expenses increased 5%, or \$396, to \$8,366. The breakdown of revenues, expenses, annual surplus or deficit and fund balance by fund is shown below.

(\$ thousands)	2024	2023	Change	% Change
General Fund				
Revenues	6,036	5,700	336	6 %
Staff Costs	(3,866)	(3,918)	52	1 %
Ministry Costs	(783)	(718)	(65)	(9)%
Support Costs	(1,254)	(1,212)	(42)	(3)%
Annual Surplus (Deficit)*	133	(148)	281	190 %
Fund Balance - Total	1,633	1,500	133	9 %
Capital Reserve** - Restricted	500	600	(100)	(17)%
Fund Balance - Unrestricted	1,133	900	233	26 %
Missions Fund				
Revenues	957	1,027	(70)	(7)%
Expenses	(977)	(1,010)	33	3 %
Annual Surplus (Deficit)*	(20)	17	(37)	(218)%
Fund Balance	50	70	(20)	(29)%
Capital Fund				
Revenues	385	305	80	26 %
Expenses	(1,155)	(884)	(271)	(31)%
Annual Deficit*	(770)	(579)	(191)	(33)%
Fund Balance	25,252	26,022	(770)	(3)%
Care Fund				
Revenues	308	346	(38)	(11)%
Expenses	(331)	(228)	(103)	(45)%
Annual Surplus (Deficit)*	(23)	118	(141)	(119)%
Fund Balance	375	398	(23)	(6)%

*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 \$133 (2023 – \$148 deficit). This is the second straight year of growth in offerings since the end of the pandemic. In addition, revenues from rentals of the church facility grew by 187% due to higher usage and increased rental rates, investment income increased by 56% due to further escalation in interest rates, and recoveries of costs from ministry activities, which had rebounded last year, grew by a further 20% in 2024.

Ministry costs increased by 9% reflecting a return to full activity in all areas of ministry. These increased costs were fully recovered through higher ministry revenues as noted above. The 3% rise in Support costs was attributable to higher maintenance and repair expenses associated with the repair of air conditioning units that are nearing end of life, as well as inspections and repairs of other key components of the building, including the roof, stucco exterior and window glazing.

Missions Fund Highlights

Revenues and expenses in the Missions Fund decreased slightly from the prior year. Notably, this past year saw the resumption of short-term mission trips, with the first trip to Colombia completed in spring 2024.

Capital Fund Highlights

The Capital Fund ended the year with a \$770 deficit (2023 – \$579 deficit). The deficit is mainly the result of the amortization of capital assets, which represents the decrease in value of the building, furniture and equipment over their estimated useful lives. The estimated useful lives of several significant components of the building were reduced this year based on a capital replacement study conducted by engineers in the preceding year. This change increased amortization in 2024 by approximately \$312. [Note that amortization expense, unlike other expenses, does not consume cash.]

We invested \$308 (2023 – \$119) in capital improvements and equipment during the year. The largest expenditures related to the replacement of mechanical equipment, including five air conditioning units and two entrance heaters, and the remediation of the parking lot.

Care Fund Highlights

The Care Fund carries 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 2024, more financial support was required for refugees and newcomers who arrived in Canada during the year.

Summary

The numbers in the table above show that the financial results for the 2023-24 fiscal year were positive overall – notably so for the General Fund.

Giving to Missions was lower in the first half of the year, but improved in the second half. The Capital Fund had a deficit as explained above, but there were sufficient funds to cover the significant expenditures. The Care Fund had a small deficit, primarily due to increased Refugee Program expenses, but 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. It appears that more of us are testing the promise of Malachi 3:10 and finding it to be true. For those who have yet to test it, I will quote the last part of that verse: *"Try it! Put me to the test!"*

*– 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, 2024

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.

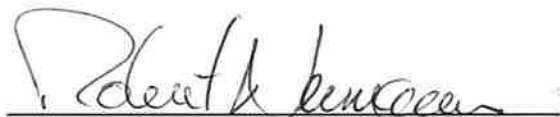
The integrity and reliability of the Church's reporting systems are achieved through the use of internal controls comprising written policies, standards and procedures, a formal authorization structure, and satisfaction processes for reviewing internal controls and financial information. These systems 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
205 5th Avenue SW
Suite 3100
Calgary AB T2P 4B9
Tel 403-691-8000
Fax 403-691-8008
www.kpmg.ca

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the statement of financial position as at June 30, 2024;
- 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, 2024, 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

October 21, 2024

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Statement of Financial Position

June 30, 2024, with comparative information for 2023

	General Fund	Restricted Funds			Total 2024	Total 2023
		Missions Fund	Capital Fund	Care Fund		
Assets						
Current assets:						
Cash on deposit (note 2)	\$ 280,987	\$ 134,258	\$ 142,361	\$ 469,603	\$ 1,027,209	\$ 914,029
Short-term investments (note 2)	2,849,435	—	—	—	2,849,435	2,197,613
Accounts receivable (note 3)	42,840	—	5,893	—	48,733	52,103
Prepaid expenses	111,525	38,089	5,621	—	155,235	107,556
Inventory	52,925	—	—	—	52,925	64,063
	3,337,712	172,347	153,875	469,603	4,133,537	3,335,364
Employee loan (note 4)	100,000	—	—	—	100,000	100,000
Capital assets (note 5)	—	—	25,150,349	—	25,150,349	25,972,153
	\$ 3,437,712	\$ 172,347	\$ 25,304,224	\$ 469,603	\$ 29,383,886	\$ 29,407,517
Liabilities and Fund Balances						
Current liabilities:						
Accounts payable and accrued liabilities (note 8)	\$ 396,245	\$ 112,652	\$ 32,315	\$ 94,943	\$ 636,155	\$ 419,621
Deferred revenue (note 6)	51,071	9,833	19,771	—	80,675	66,667
Deposits on refugee applicants (note 7)	1,357,328	—	—	—	1,357,328	931,496
	1,804,644	122,485	52,086	94,943	2,074,158	1,417,784
Fund balances:						
Unrestricted	1,133,395	—	—	—	1,133,395	900,295
Externally restricted	—	49,862	101,789	374,660	526,311	517,285
Internally restricted (note 9)	499,673	—	—	—	499,673	600,000
Invested in capital assets	—	—	25,150,349	—	25,150,349	25,972,153
	1,633,068	49,862	25,252,138	374,660	27,309,728	27,989,733
Subsequent events (note 10)						
Commitments and contingencies (note 10)						
	\$ 3,437,712	\$ 172,347	\$ 25,304,224	\$ 469,603	\$ 29,383,886	\$ 29,407,517

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, 2024, with comparative information for 2023

	General Fund		Restricted Funds			Total 2023
	2024	2023	Missions Fund	Capital Fund	Care Fund	
Revenues:						
Offerings						
General	\$ 4,997,750	\$ 4,955,709	\$ 696,250	\$ 379,115	\$ 288,804	\$ 1,364,169
Designated	—	—	254,066	—	12,663	278,186
Earned revenue and recoveries (Schedule 1)	858,939	630,000	7,160	—	7,000	14,160
Investment income	178,814	114,373	—	—	—	—
Gains on disposal of assets	—	—	—	5,440	—	5,440
	6,035,503	5,700,082	957,476	384,555	308,467	1,650,498
Expenses:						
Staff costs (Schedule 1)	3,866,218	3,917,476	—	—	—	—
Ministry costs (Schedules 1 and 2)	782,276	718,253	954,859	—	331,473	1,286,332
Support costs (Schedule 1)	1,254,236	1,212,437	22,515	3,601	—	26,116
Amortization of capital assets	—	—	—	1,150,828	—	1,150,828
	5,902,730	5,848,166	977,374	1,154,429	331,473	2,463,276
Excess (deficiency) of revenues over expenses	132,773	(148,084)	(19,898)	(769,874)	(23,006)	(812,778)
Fund balances, beginning of year	1,500,295	1,648,379	69,760	26,022,012	397,666	26,489,438
Fund balances, end of year	\$ 1,633,068	\$ 1,500,295	\$ 49,862	\$ 25,252,138	\$ 374,660	\$ 26,489,438

See accompanying notes to financial statements.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Statement of Cash Flows

Year ended June 30, 2024, with comparative information for 2023

	General Fund		Restricted Funds			Total 2024	Total 2023
	2024	2023	Missions Fund	Capital Fund	Care Fund		
Cash provided by (used in):							
Operating activities:							
Offerings:							
General	\$ 4,997,750	\$ 4,955,709	\$ 696,250	\$ 379,115	\$ 288,804	\$ 1,364,169	\$ 1,391,192
Designated	—	—	254,066	—	12,663	266,729	278,186
Deposits on refugee applicants	425,832	199,493	—	—	—	—	—
Earned revenues and recoveries	870,872	628,192	7,160	—	7,000	14,160	8,151
Investment income	15,077	—	—	—	—	—	—
Staff costs	(3,842,388)	(3,850,898)	—	—	—	—	—
Ministry costs	(776,776)	(713,855)	(937,452)	—	(238,181)	(1,175,633)	(1,199,423)
Support costs	(1,230,316)	(1,215,005)	(22,515)	(3,601)	—	(26,116)	(20,890)
	460,051	3,636	(2,491)	375,514	70,286	443,309	457,216
Investments:							
Purchase of capital assets	—	—	—	(307,536)	—	(307,536)	(119,340)
Proceeds on disposal of capital assets	—	—	—	5,440	—	5,440	—
Purchase of short-term investments	(488,084)	(11,916)	—	—	—	—	—
	(488,084)	(11,916)	—	(302,096)	—	(302,096)	(119,340)
Financing:							
Interfund loans	—	113,330	—	—	—	—	(113,330)
	—	113,330	—	—	—	—	(113,330)
Increase (decrease) in cash on deposit	(28,033)	105,050	(2,491)	73,418	70,286	141,213	224,546
Cash on deposit, beginning of year	309,020	203,970	136,749	68,943	399,317	605,009	380,463
Cash on deposit, end of year	\$ 280,987	\$ 309,020	\$ 134,258	\$ 142,361	\$ 469,603	\$ 746,222	\$ 605,009

See accompanying notes to financial statements.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements

Year ended June 30, 2024, with comparative information for 2023

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 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 and Library. 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 is 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, 2024, with comparative information for 2023

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

With respect to the Building, the Church engaged engineers to perform a capital replacement study, the results of which indicated that the estimated useful lives of several significant components of the Building were less than the 50 years used for the Building as a whole. Accordingly, costs were allocated to these component parts to the extent practicable and amortization was calculated prospectively using the lower estimated useful lives. This change resulted in amortization of capital assets increasing for the current year by approximately \$312,000.

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.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 3

Year ended June 30, 2024, with comparative information for 2023

1. Significant accounting policies (continued):

(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.

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, library sales, bookstore sales, Harvest Ministries sales of food and beverages, and event registrations.

The Church applies for financial assistance under available government incentive programs. Government assistance relating to expenses of the period is recorded as government relief revenue in the statement of operations.

(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.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 4

Year ended June 30, 2024, with comparative information for 2023

1. Significant accounting policies (continued):

(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 accounts payable and accrued liabilities.

(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.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 5

Year ended June 30, 2024, with comparative information for 2023

1. Significant accounting policies (continued):

(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.

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.

	2024	2023
Cash on deposit	\$ 1,027,209	\$ 914,029
Short-term investments		
Securities held for sale	\$ –	\$ 11,916
Prime-linked cashable guaranteed investment certificates	517,647	–
Other investment certificate	2,331,788	2,185,697
	<u>\$ 2,849,435</u>	<u>\$ 2,197,613</u>

The annual rate of return on the prime-linked cashable guaranteed investment certificates for the year ranged from 4.70% to 4.95% (2023 – nil). Each certificate has a term of one year 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 6.45% to 6.70% (2023 – 3.20% to 6.45%). 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.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 6

Year ended June 30, 2024, with comparative information for 2023

3. Accounts receivable:

	2024	2023
Trade accounts receivable	\$ 26,142	\$ 34,683
Goods and Services Tax receivable	20,231	17,420
Accrued contribution for Canada Summer Jobs program	2,360	–
	\$ 48,733	\$ 52,103

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, 2024, the Church has \$100,000 (2023 – \$100,000) owing from the employee.

5. Capital assets:

	2024		2023	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 4,617,440	\$ –	\$ 4,617,440	\$ 4,617,440
Building	29,176,111	9,708,570	19,467,541	20,145,248
Computer and audio visual equipment	1,213,819	1,115,258	98,561	120,752
Furniture and equipment	2,638,261	2,100,646	537,615	650,218
Parking lot	702,455	273,263	429,192	438,495
	\$ 38,348,086	\$ 13,197,737	\$ 25,150,349	\$ 25,972,153

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 7

Year ended June 30, 2024, with comparative information for 2023

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:

	2024	2023
Event registrations	\$ 33,070	\$ 38,796
Event deposits	17,507	8,100
Gift card unearned revenue	494	–
Deferred revenue for short-term mission trips	9,833	–
Deferred revenue on account of capital	19,771	19,771
	\$ 80,675	\$ 66,667

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, 2024, the Church held \$1,357,328 (2023 – \$931,496) of these deposits.

8. Credit facilities:

At June 30, 2024, the Church had the following credit facilities available with a lender:

A revolving demand facility loan with a \$600,000 limit (2023 – \$600,000) that bears interest at the bank's prime lending rate plus 0.50% per annum. As at June 30, 2024, \$nil (2023 – \$nil) was drawn on the facility.

A business credit card facility with a \$200,000 limit (2023 – \$200,000). As at June 30, 2024, \$30,237 (2023 – \$11,832) 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. As at June 30, 2024, the Church was in compliance with this requirement.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 8

Year ended June 30, 2024, with comparative information for 2023

9. Internally restricted fund balance – General Fund:

During the year, the Board restricted \$120,000 (2023 – \$100,000) of previously unrestricted net assets of the General Fund to be used for major facility replacement projects as required in the future.

During the year, the Board authorized the use of the internally restricted net assets to purchase capital assets of \$220,327 (2023 – \$nil).

	2024	2023
Fund balance at beginning of year	\$ 600,000	\$ 500,000
Unrestricted net assets restricted during the year	120,000	100,000
Restricted net assets used for capital asset purchases	(220,327)	–
Fund balance at end of year	\$ 499,673	\$ 600,000

10. Commitments and contingencies:

Commitments:

The Church has lease commitments for facility and equipment. On July 1, 2024, the Church entered into a contractual commitment for information technology services for a three-year term.

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

	Facility	Equipment	Information technology services	Total
2025	\$ 22,056	\$ 18,668	\$ 89,670	\$ 130,394
2026	22,056	18,668	89,670	130,394
2027	–	6,223	89,670	95,893
	\$ 44,112	\$ 43,559	\$ 269,010	\$ 356,681

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 9

Year ended June 30, 2024, with comparative information for 2023

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 \$66,466 (2023 – \$8,341) in direct support. As at June 30, 2024, the Church has estimated its contingent liability at \$172,300 (2023 – \$137,730).

11. 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):

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 10

Year ended June 30, 2024, with comparative information for 2023

11. Controlled entity (continued):

	2023	2022
Financial position:		
Total assets	\$ 28,357	\$ 26,542
Total liabilities	\$ 5,605	\$ 5,793
Total net assets	22,752	20,749
Total liabilities and net assets	\$ 28,357	\$ 26,542
Results of operations		
Total revenues	\$ 14,261	\$ 12,673
Total expenses	12,258	11,310
Excess of revenues over expenses	\$ 2,003	\$ 1,363
Cash flows		
Cash from operations	\$ 2,688	\$ 2,367
Cash used in investing activities	(360)	(512)
Cash used in financing activities	(45)	(44)
Increase in cash and cash equivalents	\$ 2,283	\$ 1,811

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.

The resources of the Society are restricted in that as of August 31, 2023, \$707,171 (August 31, 2022 – \$750,891) 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, 2023 (August 31, 2022 – \$nil) and credit cards of \$47,078 (August 31, 2022 – \$17,288) 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.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 11

Year ended June 30, 2024, with comparative information for 2023

12. Related parties:

During the year ended June 30, 2024, 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, 2024 were \$35,824 (2023 – \$33,475) for office supplies, \$1,450 (2023 – \$nil) for building supplies, and \$1,200 (2023 - \$nil) 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. 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.

13. 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.

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.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 12

Year ended June 30, 2024, with comparative information for 2023

13. Financial instruments risks (continued):

(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.

(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 changes to the risk exposures from 2023.

14. 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

June 30, 2024, with comparative information for 2023

	2024		2023	
	Expenses	Earned Revenues and Recoveries	Expenses	Earned Revenues and Recoveries
Staff costs				
Salaries and wages	\$ 3,296,117	\$ 27,000	\$ 3,269,117	\$ 49,000
Employee benefits	570,101	—	570,101	—
	\$ 3,866,218	\$ 27,000	\$ 3,839,218	\$ 49,000
				\$ 3,868,476
Ministry costs*:				
Bookstore and library	\$ 48,160	\$ 76,366	\$ (28,206)	\$ 75,081
Care and support (congregational care, community support and global missions)	21,089	1,875	19,214	7,525
Children's ministries	43,222	10,652	32,570	10,954
Communications and events	72,638	—	72,638	—
Connect (small groups, men's and women's ministries)	37,727	30,832	6,895	30,242
Family, marriage and seniors	40,671	26,303	14,368	18,495
Grow (baptism, Alpha, classes, prayer and recovery) and Serve (volunteer support) ministries	77,395	11,339	66,056	7,995
Harvest Ministries	102,774	147,307	(44,533)	114,521
Spanish Congregation	27,962	7,901	20,061	1,249
Student ministries	43,396	19,706	23,690	13,661
Southwest Campus	100,293	19,440	80,853	23,350
Technical arts and Online Campus	46,535	—	46,535	—
Worship arts and School of Music	120,414	105,946	14,468	77,612
	\$ 782,276	\$ 457,667	\$ 324,609	\$ 380,685
			\$ 718,253	\$ 337,568

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

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

June 30, 2024, with comparative information for 2023

	2024		2023	
	Expenses	Earned Revenues and Recoveries	Expenses	Earned Revenues and Recoveries
Support costs*:				
C&MA district operating	\$ 149,932	\$ -	\$ 148,556	\$ -
Finance	194,613	-	186,272	-
Information technology	127,212	-	133,407	-
Maintenance and repairs	262,966	-	209,649	-
Office administration	54,349	-	49,477	-
Office rent	48,898	-	52,687	-
Pastoral administration	82,655	-	112,573	366
Rental and other revenues	50,834	374,272	14,938	199,949
Utilities	282,777	-	304,878	-
	\$ 1,254,236	\$ 374,272	\$ 1,212,437	\$ 200,315
	\$ 5,902,730	\$ 858,939	\$ 5,848,166	\$ 630,000
Grand total				\$ 5,218,166

*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, 2024, with comparative figures for 2023

	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

	Undesignated	Donor Designated	2023 Total
Alliance foreign missions	\$ 593,190	\$ 150,858	\$ 744,048
Alliance home missions	25,000	1,020	26,020
Ambrose University	10,500	600	11,100
Camp Chamisall	30,915	7,030	37,945
Commissioned missionaries	58,338	103,082	161,420
Other Christian organizations	1,500	7,261	8,761
Short-term missions	3,133	–	3,133
	\$ 722,576	\$ 269,851	\$ 992,427

Joining Jesus

in the renewal of all things.

Then the One sitting on the throne said,
"See! I am making all things new."

REVELATION 21:5a (NLV)



first alliance church

12345 40 Street SE
Calgary, Alberta T2Z 4E6
Phone 403-252-7572 Fax 403-252-6315
info@facalgary.com
facalgary.com