



Annual Report 2026



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Agenda

Annual General Meeting of First Alliance Church Monday, November 16, 2026

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 Monday, November 17, 2025
6. Motion to Appoint Tellers for the Annual General Meeting
7. Report of the Nominating Committee for 2026-2027
8. Election of Elders
9. Election of the Nominating Committee for 2027-2028
10. City of Calgary Easement Vote
11. The Story of God's Provision
 - a. Report of the Treasurer
 - b. Appointment of the Auditors for the fiscal period July 1, 2026 – June 30, 2027

Second Segment

1. Report on Ministry
 - a. Glenmore Christian Academy
 - b. Ministry Story of 2025/2026
2. Question & Answer Session
3. Closing Comments & Prayer

A Note from Pastor James

2026 is a year I won't forget in a hurry. It has been a combination of profound personal loss and amazement at how the Lord has been at work in our church family. Within this range of emotions, the words of Scripture resonate in my heart.

"And the One who was seated on the throne said, 'See, I am making all things new.'"
(Revelation 21:5, NRSVue)

Jesus' declaration lies at the heart of who we are and what we do: **"Joining Jesus in the renewal of all things."** As individuals, we experience His transforming work as Christ lives in us and makes us ever more like Him. Together, as his church, we follow His lead and pray for His Kingdom to come and His will to be done. This is both a prayer and a call to action as we align with whatever Jesus is already doing. So, how does that happen?

Formation: A "First Steps" Discipleship Pathway that is clear and effective. We refer to it as ABCD:

- **Alpha** – A great place to start, and if you have already taken it, a great place to bring a friend.
- **Baptism** – Publicly celebrating the new life Jesus gives us.
- **Catechism** – A teaching practice of the church through the ages that helps us grow in faith and mission.
- **Discipleship Bands** – Accountability groups, banded together, following Jesus.

You don't need to take the steps in strict sequence, but I hope all of us take the time in the year ahead to lean into this pathway, allowing Jesus to shape our lives. What will be your next step?

Vocation: Developing Christ-like competent leaders. The more we grow and add campuses the more pastors and leaders we need. We have 32 students enrolled in our newly launched FAC School of Ministry. They're receiving formal accredited theological education, pastoral mentoring, and hands-on ministry experience within our



church. Have you sensed God calling you to something more?

Multiplication: Expanding our missional skillset. As a 'multi-everything' church we have been dreaming of 10 new expressions of FAC within 10 years. We have made it to 3 in 3 years. Ogden Community Campus is the latest missional expression of FAC. God is teaching us so much about mission on this journey of faith. Would you choose to invest and to learn with us?

Next Steps include:

- **All Praying** – Our life of prayer, conversations with God, is becoming contagious. Once a month, campus-specific and new, quarterly cross-campus 'All In' Prayer Nights are gaining momentum, serving as a catalyst for personal, family, and small group prayer.
- **All Helping** – We all have a role to play and want to help each other discover the wonder of knowing 'I was made for this!'
- **All Giving** – We may have different levels of financial resource, but we all have the capacity to be generous. Together, we're funding the mission Jesus calls us to!

You might recall some other highlights of this past year like Strike Camp, serving families at very short notice, or hosting The Alliance Canada General Assembly at the start of June. The list could go on, but what matters most is not our activity, but the One who calls us to say yes to Him. What matters most is 'Joining Jesus.'

You'll hear much more about what God is doing and calling us to across all of our campuses on **Vision Weekend** (November 14/15) and at our **Annual General Meeting** (November 16, 7:00 pm at FAC Deerfoot). I hope you can join us!

I love being your pastor,

James Paton
Lead Pastor

Reflection from our Board of Elders

During the fiscal year of 2025/2026, we have seen God move in many ways as we continue to pursue our goal of *Joining Jesus in the renewal of all things* and we'll continue to keep this our focus as we move into the future.

We are now a 6-campus church with ministry across FAC Deerfoot, FAC en Español, FAC em Português, FAC Southwest, FAC Online, and now Ogden Community Church. Meeting in Hub:29, Ogden Community Church is about supporting those who call Ogden home to join Jesus right where they live to be present and serve their neighbours every day of the week. Community art classes, neighbourhood volunteer projects and coffee chats bring people together. On Sundays, exploration of faith happens in a casual and welcoming environment around tables and a shared meal. This new campus expression of FAC is about empowering and equipping followers of Jesus in Ogden to help their neighbours experience God's renewing love, one relationship at a time.

Spiritual formation is important for supporting and developing people in their journey with Jesus. **We now have a clear "ABCD" Discipleship Pathway to help:** A for Alpha, B for Baptism, C for Catechism, and D for Discipleship Bands. Alpha allows for the exploration of the Christian faith, Baptism shows others that we've taken the step to follow Jesus. Our Catechism Class walks through key foundations of the Christian faith in a deeper way. Membership Class helps us understand the decision of making FAC your church family and becoming an active part of who we are as a church. Finally, Discipleship Bands provide an environment of 3-5 people who create a safe place to learn, grow and have us share with others how we are really doing. People engaged in Bands develop strong bonds of faith and accountability to support each other in the transformative journey Jesus takes us on as He continues to form us into His image.



FAC has also experienced a strong year financially, which positions us well going into the coming year. Thank you to everyone who gave generously in 2025/26, to the Audit & Finance Committee, and the Lead Team who have managed our resources well. Biblical stewardship is important as we continue in a time of rising costs and will need to continue to invest in the capital maintenance of our facilities. It's hard to believe that FAC Deerfoot is over 20 years old, but that fact will necessitate continued investment as it continues to age to enable us to have a facility that meets our needs into the future.

Gratitude is due to many people as I reflect on the past year. I would like to thank and wish all the best to Pastor Crystal Sylvester, who led and served our children for many years – thank you Crystal for all your efforts in DiscoveryLand, encouraging our kids to follow Jesus.

Many thanks as well to all my fellow Board members and to Pastor James, Pastor Kyle and Pastor Jeff – thank you for your support, discernment and guidance as we navigate the leadership entrusted to us for FAC.

And thanks to you, the people of FAC, for being all-in as we continue to be a church family that strives to join Jesus in the renewal of our families, neighbourhoods, city, and world for His Kingdom.

Dave Orr
Chairman, Board of Elders



2025 AGM Minutes

Annual General Meeting of First Alliance Church
Monday, November 17, 2025
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 2024–June 2025.
2. Cory Harasym, Online Campus Pastor, opened the meeting in prayer.
3. **Quorum** – the meeting was declared duly constituted by the Registration Secretary based on the number of registered members (162).
4. **Approval of Agenda** – Motion to approve the agenda as provided in the Annual Report. M/S/C
5. **Minutes of the 2024 Annual General Meeting** of Sunday, November 17, 2024 – Motion to approve the minutes of the 2024 Annual General Meeting as published in the Annual Report. M/S/C
6. **Motion to appoint Tellers** for the 2025 Annual General Meeting – Motion to appoint Victor Wong as Head Teller and to select assistants as required. M/S/C
7. **Report of the Nominating Committee of 2025/26** – Pastor James Paton provided an overview of the role of the Elder and the process of nominating elders. The Nominating Committee recommended the following individuals for a 2-year term commencing immediately:
 - Dave Orr (3rd Term)
 - Olumide Obafemi (3rd Term)
 - Luisa Castiblanco (2nd Term)
 - Susan Kinnie (2nd Term)
 - Craig Bundy (2nd Term)
 - Carol Braga (1st Term)
 - Tiffany Ho (1st Term)
 - Alex Dantas de Souza (1st Term)
8. **Election of Elders** – The election was conducted by ballot. All Elders received the required percentage of approval.
9. **Election of the Nominating Committee for 2026/27** – Pastor James Paton provided an overview of the role of the Nominating Committee and the process of their election. The outgoing Nominating Committee recommended the following individuals to commence immediately:
 - Tomson Chan
 - Pearl Hystad
 - Jamie Slone

The election was conducted by ballot. All nominees received the required percentage of approval.

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 2024/2025 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, 2025 – June 30, 2026 – Motion to empower the Board of Elders to select the auditor for the fiscal year ending June 30, 2026, pursuant to a competitive request for proposal process. M/S/C
- c) Arnold opened the floor to questions. Questions presented are summarized as the following:
 - *How much are the exact dollar increases the former auditor, KPMG, is asking for?*
 - *Why do we need to look at auditors who are among the top 5 companies in the world? Can we look at midsize firms?*
 - *Concern expressed regarding accepting the lowest bidder vs. a mid-sized firm, as “you can get what you pay for”.*
 - *Who requires a full audit? Can it simply be a review?*
 - *Do other higher-end audit firms charge similar costs to KPMG?*

Second Segment

1. Report on Ministry

- a) Glenmore Christian Academy – Stan Hielema, Head of School, provided a report on the activities of Glenmore Christian Academy (GCA). This year represents 45 years since the inception of GCA. He shared how the founders had a vision which continues to guide us today. This year's theme verse was developed by a group of students in a prayer club, Luke 4:18. It states we have been appointed by God to proclaim the Good News. Stan shared his delight in interviewing new families, hearing of their love for their children and how it represents God's love for his children. Stan also shared that progress is being made on the development of a high school. This includes a partnership with First Assembly for land and eventual building development.
- b) Ministry Story of 2024/25 – 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 the entire staff. Momentum has continued to increase over the past year. One of the biggest highlights of the year was when over 4,600 people gathered at Spruce Meadows for the 'As One' service.

The online campus continues to thrive and expand beyond expectations with groups gathering across the world, including refugee camps in Africa. The story of Jesus has a remarkable reach. The Southwest Campus is growing with attendance numbers increasing week by week. The new ministry centre has opened, serving the nearby community. FAC Español is growing so much that they are starting to run out of space. FAC em Português is also thriving with a strong core volunteer base.

Further highlights from the year were shared, including our work with refugees, upgraded IT infrastructure and various capital expenditures. We are working on becoming more 'sticky'. How can we become more connected to each other? Members were also encouraged to further engage in prayer and to consider the impact it can have on the church.

James closed by challenging members to surrender to what God would have for our lives and for the life of our church. Ultimately, we are called to worship; we are called to pray.



(2025 AGM Minutes, Second Segment, continued ...)

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 questions and comments that were brought forward:

- *Average weekend attendance is documented as 3,064. Does that include all campuses and online attendance?*
- *Anticipating an upcoming series on the gospel of John, will the other book John wrote, Revelation, be considered for a series as well?*
- *FAC did not recently honour veterans during weekend services. Was there a rationale for not recognizing these individuals?*
- *Has thought been given to the food served at large events that are inclusive of being able to accommodate other religious groups such as those from Jewish and Muslim traditions?*
- *Why do we keep our church so 'dark' on weekend services? This impacts the ability of some to read their Bible.*
- *How can we draw more people to the Prayer Nights?*

3. Destroying of Ballots - Motion to destroy all ballots. M/S/C

4. Adjournment – The 2025 Annual General Meeting was closed in prayer by Michelle Peters, Community Support Pastor. 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 2026-2028

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 2026:**

Oludamilola (Dami) Adebayo (2 nd Term)	Andrés Gutierrez (3 rd Term)
Arnold Schellenberg (3 rd Term)	Brian Hargreaves (1 st Term)

Elders serving to Fall 2027:

Luisa Castiblanco (2 nd Term)	Alex Dantas de Souza (1 st Term)
Dave Orr (3 rd Term)	Susan Kinnie (2 nd Term)
Tiffany Ho (1 st Term)	Olumide Obafemi (3 rd Term)
Craig Bundy (2 nd Term)	Carol Braga (1 st Term)

Elders leaving the Board:

Charles Ang (3rd Term)

Nominating Committee Members:

Pastor James Paton (Chair), Susan Kinnie, Luisa Castiblanco, Charles Ang, Tomson Chan, Pearl Hystad, Jamie Slone

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 2027-2028 Nominating Committee for a 1-year term commencing Fall 2026*:

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 2026:

1. Steve LeBlanc
2. Dwayne Coben
3. Barbara de Bruyn

**Personal profiles of nominated Elders and Nominating Committee available on pages 8-9.*

Profiles of Nominated Elders

For a 2-Year Term Commencing Fall 2026



Brian Hargreaves

Brian and his wife Angela have been married for 23 years. They have 2 incredible children who are 20 and 17 years old. Brian has attended FAC Deerfoot since 1979, and Angela has been attending since 1999. Brian has served in various roles at FAC over the years, including in the nursery, DiscoveryLand, as a high school youth sponsor, and with Adoption and Foster Care ministries. He is currently volunteering as part of FAC's Guest Services team and is honoured to chair the GCA Board of Directors. Brian is a geophysicist, and enjoys leading and coaching people in his current role. Away from work, Brian enjoys spending time with his family, walking the family dog, and spending time outdoors.



Oludamilola (Dami) Adebayo

Since joining FAC Southwest in December 2019 with her husband Bayo and their twin daughters (Ewaife & Ewaire), Dami has been deeply committed to serving the church body. A firm lover of God, anchored by a strong personal walk with Jesus, she has a heart for studying and teaching God's Word with depth and conviction. Dami serves across multiple areas at FAC as a worship leader, on the prayer and hospitality teams, and as a small group co-leader alongside her husband. Outside of her leadership and ministry work, Dami loves spending quality time with family, quiet moments of meditation, cooking, relaxing with a good TV show, and traveling.



Arnold Schellenberg

Arnold and his wife Phyllis have been attending FAC Deerfoot 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 as business planner at The City of Calgary in 2013. He also enjoys watching sports on TV with Phyllis, photography, music, and managing personal investments. Arnold has found encouragement and spiritual growth through serving with the FAC Choir, Stephen Ministry, Audit & Finance Committee, and the Board of Elders.



Andrés Gutierrez

Andrés has been married to his wife, Paula, for 7 years. They have 2 children in Grades 10 and 11. Andres has attended FAC since January 2019, serving in various roles. He serves alongside Paula as a leader in the Couples Ministry and on the Arts & Communications Team within the Spanish Campus. He and his family also host a Spanish small group in their home. Andres is passionate about helping and encouraging others through difficult times, both at church and in his career as a Development Officer in the nonprofit sector. In his free time, he enjoys reading Scripture, cooking, spending time with his family, exploring the outdoors, and playing soccer.

2027-2028 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 2026:

Steve LeBlanc

Stephen LeBlanc has been attending FAC since 2007 and considers it a privilege to be part of the FAC family. He and his wife, Lisa, have been married for 39 years and enjoy serving in various ministry roles. Over the years, Stephen has facilitated Marriage Ministry sessions and currently serves on the Hospitality Team at the Southwest Campus, while also volunteering as a Group Host for the Alpha Ministry at the Deerfoot Campus.

Professionally, Stephen serves as a Director of People and Culture, where he is passionate about leadership, developing people, and building healthy workplace cultures. Outside of work and church, he enjoys hiking, golfing, and spending time with friends and family.

Dwayne Coben

Dwayne Coben has been attending FAC since 2001. He has been married to Margot Coben for 39 years. Dwayne owns and operates a consulting and business advisory firm and also sits on a few private company boards. He is a Chartered Professional Accountant and a Certified Management Consultant.

Dwayne has been actively involved at FAC Deerfoot in Harvest Ministries for over 17 years and has been a member of FAC's Audit & Finance Committee since 2018. Dwayne also leads a small group. In his spare time, Dwayne loves spending time with family and friends, as well as walking, traveling, and golfing.

Barbara de Bruyn

Barbara Stephen de Bruyn has been attending FAC since the late 1970's and is privileged to call FAC her church home. She has been happily married to Eric de Bruyn for the past 20 years. While her job history has been quite varied, music has been the connecting thread – from playing horn with the Okanagan Symphony to teaching band and other subjects with the Calgary Board of Education. She's retired from her role as the Administrative Assistant of Ambrose Arts at Ambrose University, but continues to teach horn students in many local schools and at their band camps.

Barb has been involved in FAC Music playing horn in the Orchestra and for many Christmas productions over the years. She is currently a table facilitator with Women2Women Bible Studies and helps with the Food Bank at FAC Deerfoot. She also plays with the Ambrose Chamber Orchestra, Altius Brass, Maple Leaf Brass and freelances with many other musical groups. In her spare time, she likes to walk, quilt, read, and cross stitch.



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, 2026

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, 2026. It should be read in conjunction with the audited financial statements, notes and schedules dated October 14, 2026. Unless otherwise noted, reference to dollar amounts in this Commentary are in thousands of Canadian dollars.

Financial Highlights

Total revenues were up 2%, or \$146, to \$8,318. Total expenses, excluding non-cash expenses associated with the amortization of capital assets, increased 4%, or \$319, to \$7,720. The breakdown of revenues, expenses, annual surplus or deficit and fund balance by fund is shown below.

(\$ thousands)	2026	2025	Change	% Change
General Fund				
Revenues	6,708	6,304	404	6 %
Staff Costs	(3,907)	(3,693)	(214)	(6) %
Ministry Costs	(970)	(896)	(74)	(8) %
Support Costs	(1,462)	(1,291)	(171)	(13) %
Annual Surplus*	369	424	(55)	(13) %
Fund Balance - Total	2,326	1,957	369	19 %
Capital Reserve** - Restricted	552	432	120	28 %
Fund Balance - Unrestricted	1,774	1,525	249	16 %
Missions Fund				
Revenues	1,060	1,180	(120)	(10) %
Expenses	(1,061)	(1,220)	159	13 %
Annual Deficit*	(1)	(40)	39	98 %
Fund Balance	9	10	(1)	(10) %
Capital Fund				
Revenues	312	378	(66)	(17) %
Expenses	(2)	(3)	1	33 %
Non-cash Expenses	(1,179)	(1,247)	68	5 %
Annual Deficit*	(869)	(872)	3	0 %
Fund Balance	23,611	24,480	(869)	(4) %
Purchase of Capital Assets	(283)	(501)	218	44 %
Care Fund				
Revenues	238	310	(72)	(23) %
Expenses	(318)	(298)	(20)	(7) %
Annual Surplus (Deficit)*	(80)	12	(92)	(767) %
Fund Balance	307	387	(80)	(21) %

*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 \$369 (2025 – \$424 surplus). Hosting the Alliance General Assembly in June 2026 was a significant contributor to increased rental and Harvest Ministries revenues, which in total increased by 52% and 66%, respectively. In addition, revenues in 2026 reflected a full year of administering The Alliance Canada's Refugee Program. Regular offerings were consistent with 2025.

Staff costs increased by 6% mainly due to salary and wage increases and new positions added to accommodate growth and specific staffing needs, as well as the higher costs of health benefits provided to employees. Ministry costs, which increased by 8%, were offset by higher cost recoveries such that net ministry costs were virtually identical to 2025. The 13% rise in Support costs was attributable mainly to higher mechanical and electrical repair work required in 2026, rent for the extra space leased for the Southwest Ministry Centre and increased audit fees.

Missions Fund Highlights

Revenues and expenses in the Missions Fund decreased from the prior year mainly due to fewer short-term mission trips. In the current fiscal year, there was one trip to Colombia in summer 2025 compared to five trips in the prior fiscal year 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 \$870 deficit (2025 – \$872 deficit). The deficit is 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. While down from the prior year, contributions in 2026 were sufficient to cover the purchases of capital assets.

We invested \$283 (2025 – \$501) in capital improvements and equipment during the year. The largest expenditures related to equipment and lighting upgrades in the Harvest Rooms, and replacement of the catwalk screen in the Auditorium, outdated computer equipment that was no longer able to serve FAC's needs, and an older model truck. The SW Office & Ministry Centre expansion was completed during the year to facilitate expanded ministry opportunities for the Southwest Campus.

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. The reduction in the fund balance in 2026 was mainly the result of lower contributions, higher payments for social assistance to people facing economic challenges and increased financial support for refugees.

Summary

First Alliance Church's financial results for the 2025-26 year reflect continued momentum in a positive direction.

The strength of our financial results is testimony to the faithfulness and generosity of FAC's people in their giving, inspired and enabled by our gracious Lord. The results also reflect sound management by FAC's leadership. Both the giving and the management are cause for thanksgiving.

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, 2026

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 BDO Canada LLP, in accordance with Canadian generally accepted auditing standards.



James Paton
Lead Pastor

Rob Neumann
Financial Controller

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INDEPENDENT AUDITOR'S REPORT

To the Elders of First Alliance Church of the Christian and Missionary Alliance:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of First Alliance Church of the Christian and Missionary Alliance (the "Church"), which comprise the Statement of Financial Position as at June 30, 2026, and the Statement of Operations and Changes in Fund Balances, and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Church as at June 30, 2026, and the results of its 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 report. We are independent of the Church 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.

Other Matters

The Financial statements for the year ended June 30, 2025 were audited by another auditor who expressed an unmodified opinion on those financial statements on October 1, 2025.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

(continues)



Independent Auditor's Report to the Elders of First Alliance Church of the Christian and Missionary Alliance *(continued)*

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

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 Church's internal controls.
- 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 Church'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 Church to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants
Calgary, Alberta
October 14, 2026

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Statement of Financial Position

June 30, 2026, with comparative information for 2025

	General Fund	Restricted Funds			Total 2026	Total 2025
		Missions	Capital	Care		
Assets						
Current assets:						
Cash on deposit (note 2)	\$ -	\$ 111,497	\$ 144,713	\$ 321,840	\$ 578,050	\$ 597,112
Short-term investments (note 2)	4,408,942	-	-	-	4,408,942	3,444,090
Accounts receivable (note 3)	209,726	-	4,539	-	214,265	48,855
Prepaid expenses	90,886	43,424	11,452	-	145,762	145,584
Inventory	69,929	-	-	-	69,929	47,432
	4,779,483	154,921	160,704	321,840	5,416,948	4,283,073
Employee loan (note 4)	40,000	-	-	-	40,000	100,000
Capital assets (note 5)	-	-	23,497,875	-	23,497,875	24,389,970
	\$ 4,819,483	\$ 154,921	\$ 23,658,579	\$ 321,840	\$ 28,954,823	\$ 28,773,043
Liabilities and Fund Balances						
Current liabilities:						
Cheques issued in excess of cash on deposit (note 2)	\$ 160,968	\$ -	\$ -	\$ -	\$ 160,968	\$ 111,681
Accounts payable and accrued liabilities (note 8)	379,454	121,374	8,648	14,941	524,417	421,329
Deferred revenue (note 6)	76,746	24,283	19,771	-	120,800	98,657
Deposits on refugee applicants (note 7)	1,876,270	-	-	-	1,876,270	1,307,456
	2,493,438	145,657	28,419	14,941	2,682,455	1,939,123
Tenant improvement allowance	-	-	19,726	-	19,726	-
Fund balances:						
Unrestricted	1,774,344	-	-	-	1,774,344	1,525,548
Externally restricted	-	9,264	112,559	306,899	428,722	486,701
Internally restricted (note 9)	551,701	-	-	-	551,701	431,701
Invested in capital assets	-	-	23,497,875	-	23,497,875	24,389,970
	2,326,045	9,264	23,610,434	306,899	26,252,642	26,833,920
Commitments and contingencies (notes 10 and 11)						
	\$ 4,819,483	\$ 154,921	\$ 23,658,579	\$ 321,840	\$ 28,954,823	\$ 28,773,043

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, 2026, with comparative information for 2025

	General Fund		Restricted Funds			
	2026	2025	Missions	Capital	Care	Total
Revenues:						
Offerings						
General	\$ 5,186,002	\$ 5,161,899	\$ 774,020	\$ 305,058	\$ 198,868	\$ 1,277,946
Designated	—	—	274,702	—	23,076	297,778
Earned revenue and recoveries						
(Schedule 1)	1,418,612	1,018,680	11,012	—	15,994	27,006
Investment income	103,414	123,793	—	—	—	—
Gains on disposal of capital assets	—	—	—	6,675	—	6,675
Amortization of tenant improvement allowance	—	—	—	1,644	—	1,644
	6,708,028	6,304,372	1,059,734	313,377	237,938	1,611,049
						1,867,502
Expenses:						
Staff costs (Schedule 1)	3,906,994	3,693,459	—	—	—	—
Ministry costs (Schedules 1 and 2)	970,514	896,150	1,039,573	—	315,609	1,355,182
Support costs (Schedule 1)	1,461,724	1,290,582	20,655	2,158	2,560	25,373
Amortization of capital assets	—	—	—	1,180,568	—	1,180,568
Loss on disposal of capital assets	—	—	—	—	—	112,441
	6,339,232	5,880,191	1,060,228	1,182,726	318,169	2,561,123
						2,767,491
Excess (deficiency) of revenues over expenses	368,796	424,181	(494)	(869,349)	(80,231)	(950,074)
						(899,989)
Fund balances, beginning of year	1,957,249	1,633,068	9,758	24,479,783	387,130	24,876,671
Interfund transfers	—	(100,000)	—	—	—	—
						25,676,660
						100,000
Fund balances, end of year	\$ 2,326,045	\$ 1,957,249	\$ 9,264	\$ 23,610,434	\$ 306,899	\$ 23,926,597
						\$ 24,876,671

See accompanying notes to financial statements.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Statement of Cash Flows

Year ended June 30, 2026, with comparative information for 2025

	General Fund		Restricted Funds			
	2026	2025	Missions	Capital	Care	Total 2025
Cash provided by (used in):						
Operating activities:						
Offerings:						
General	\$ 5,186,002	\$ 5,161,899	\$ 774,020	\$ 305,058	\$ 198,868	\$ 1,277,946
Designated	—	—	274,702	—	23,076	297,778
Deposits on refugee applicants	568,814	(49,872)	—	—	—	—
Earned revenues and recoveries	1,267,601	1,032,416	11,012	—	15,994	27,006
Investment income	35,556	32,144	—	—	—	—
Staff costs	(3,857,822)	(3,778,204)	—	—	—	—
Ministry costs	(1,009,092)	(873,944)	(1,017,148)	—	(302,306)	(1,319,454)
Support costs	(1,393,352)	(1,314,101)	(21,708)	(2,158)	(2,560)	(26,426)
	797,707	210,338	20,878	302,900	(66,928)	256,850
Investments:						
Purchase of capital assets	—	—	—	(303,957)	—	(303,957)
Tenant improvement allowance	—	—	—	21,370	—	21,370
Proceeds on disposal of capital assets	—	—	—	6,675	—	6,675
Repayment of employee loan	50,000	—	—	—	—	—
Purchase of short-term investments	(896,994)	(503,006)	—	—	—	—
	(846,994)	(503,006)	—	(275,912)	—	(275,912)
Financing:						
Interfund transfers	—	(100,000)	—	—	—	—
(Decrease) increase in cash on deposit	(49,287)	(392,668)	20,878	26,988	(66,928)	(19,062)
Cheques issued in excess of cash on deposit)						
cash on deposit, beginning of year	(111,681)	280,987	90,619	117,725	388,768	597,112
(Cheques issued in excess of cash on deposit) cash on deposit, end of year	\$ (160,968)	\$ (111,681)	\$ 111,497	\$ 144,713	\$ 321,840	\$ 578,050
						\$ 597,112

See accompanying notes to financial statements.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements

Year ended June 30, 2026, with comparative information for 2025

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' Land 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 a third-party Canadian financial institution and a Canadian life insurance company, 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.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 2

Year ended June 30, 2026, with comparative information for 2025

1. Significant accounting policies (continued):

(d) Capital assets (continued):

Amortization and interest paid on debt acquired to fund the construction are recorded as an expense in the Capital Fund.

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
Leasehold improvements	5
Website development	3

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.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 3

Year ended June 30, 2026, with comparative information for 2025

1. Significant accounting policies (continued):

(f) Revenue recognition (continued):

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, 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, 2026, with comparative information for 2025

1. Significant accounting policies (continued):

(i) Financial instruments:

(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, 2026, with comparative information for 2025

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.

	2026	2025
Cash		
Cash on deposit	\$ 578,050	\$ 597,112
Cheques issued in excess of cash on deposit	(160,968)	(111,681)
	\$ 417,082	\$ 485,431
Short-term investments		
Marketable securities held for sale	\$ –	\$ 3,006
Royal Bank of Canada ("RBC") prime-linked cashable guaranteed investment certificates	509,337	1,019,734
Equitable Life Insurance Company of Canada ("Equitable"):		
Guaranteed interest account – one-year	404,050	–
Guaranteed interest account – two-year	1,011,532	–
Investment certificate held with The Western District of The Alliance Canada (the "District")	2,484,023	2,421,350
	\$ 4,408,942	\$ 3,444,090

The annual rate of return on the RBC prime-linked cashable guaranteed investment certificates for the year ranged from 2.20% to 2.70% (2025 – 2.70% to 4.70%). 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 Equitable guaranteed interest accounts is 2.70% for the one-year investment and 3.05% for the two-year investment. Interest is accrued monthly and paid annually on the anniversary date. Partial or full withdrawals may be made at any time subject to a market-value adjustment.

The annual rate of return on the investment certificate held with the District for the year ranged from 2.45% to 2.95% (2025 – 2.95% 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, 2026, with comparative information for 2025

3. Accounts receivable:

	2026	2025
Receivable from The Christian and Missionary Alliance in Canada ("The Alliance Canada")	\$ 162,385	\$ –
Other trade accounts receivable	26,481	27,927
Goods and Services Tax receivable	24,044	20,928
Accrued contribution for Canada Summer Jobs program	1,355	–
	\$ 214,265	\$ 48,855

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, 2026, the Church has \$40,000 (2025 – \$100,000) owing from the employee. During the year, the employee repaid \$50,000 (2025 - \$nil) of the loan and the Church forgave \$10,000 (2025 - \$nil) of the outstanding balance as a component of employee compensation.

5. Capital assets:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 4,617,440	\$ –	\$ 4,617,440	\$ 4,617,440
Building	29,235,525	11,373,228	17,862,297	18,684,695
Computer and audio- visual equipment	1,321,251	1,025,931	295,320	269,539
Furniture and equipment	2,682,036	2,347,467	334,569	425,090
Parking lot	702,455	367,515	334,940	382,066
Leasehold improvements	48,278	6,897	41,381	6,890
Website development	14,807	2,879	11,928	4,250
	\$ 38,621,792	\$ 15,123,917	\$ 23,497,875	\$ 24,389,970

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 7

Year ended June 30, 2026, with comparative information for 2025

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:

	2026	2025
Event registrations	\$ 27,620	\$ 37,505
Event deposits	49,039	18,129
Gift card unearned revenue	87	123
Deferred revenue for short-term mission trips	24,283	23,129
Deferred revenue on account of capital	19,771	19,771
	<u>\$ 120,800</u>	<u>\$ 98,657</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) and under the Church's contract with The Alliance Canada to provide administrative services to The Alliance Canada with respect to its refugee sponsorship agreements and sponsorship undertakings with the Government of Canada (note 11). In both instances, funds are held on behalf of the third-party sponsors and do not relate to Church operations. As at June 30, 2026, the Church held \$1,876,270 (2025 - \$1,307,456) of these deposits.

	2026	2025
Deposits related to the Church's agreement	\$ 1,127,157	\$ 1,307,456
Deposits related to The Alliance Canada contract	749,113	—
	<u>\$ 1,876,270</u>	<u>\$ 1,307,456</u>

During the year, the Church disbursed \$537,483 (2025 - \$764,506) from deposits related to the Church's agreement, of which \$417,683 (2025 - \$719,983) was for refugee support obligations and \$119,800 (2025 - \$44,523) was for deposit refunds. The Church disbursed \$152,451 (2025 - \$nil) from deposits related to The Alliance Canada contract, of which \$120,574 (2025 - \$nil) was for refugee support obligations and \$31,877 (2025 - \$nil) was for deposit refunds.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 8

Year ended June 30, 2026, with comparative information for 2025

8. Credit facilities:

At June 30, 2026, the Church had the following credit facilities available with a lender:

A revolving demand facility loan with a \$600,000 limit (2025 – \$600,000) that bears interest at the bank's prime lending rate plus 0.50% per annum. As at June 30, 2026, \$nil (2025 – \$nil) was drawn on the facility.

A business credit card facility with a \$200,000 limit (2025 – \$200,000). As at June 30, 2026, \$9,479 (2025 – \$27,747) 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, 2026, the Church was in compliance with this requirement.

9. Internally restricted fund balance – General Fund:

During the year, the Board restricted \$120,000 (2025 – \$120,000) 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 \$nil (2025 – \$187,972).

	2026	2025
Fund balance at beginning of year	\$ 431,701	\$ 499,673
Unrestricted net assets restricted during the year	120,000	120,000
Restricted net assets used for capital asset purchases	–	(187,972)
Fund balance at end of year	\$ 551,701	\$ 431,701

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 9

Year ended June 30, 2026, with comparative information for 2025

10. Commitments and contingencies:

Commitments:

The Church has lease commitments for facilities and equipment and a contractual commitment for information technology services.

On April 1, 2025, the facility lease for the Southwest Ministry Centre 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
2027	\$ 39,750	\$ 3,111	\$ 89,670	\$ 132,531
2028	39,750	—	—	39,750
2029	39,750	—	—	39,750
2030	39,750	—	—	39,750
2031	—	—	—	—
	\$ 159,000	\$ 3,111	\$ 89,670	\$ 251,781

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 liable for financial support for a minimum of the amount specified by IRCC. During the year, the Church paid \$20,405 (2025 – \$95,051) in direct support. As at June 30, 2026, the Church has estimated its contingent liability at \$85,400 (2025 – \$152,200).

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 10

Year ended June 30, 2026, with comparative information for 2025

11. Contractual obligation:

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.

The Church is a co-signatory and party to all of The Alliance Canada's sponsorship undertakings. In turn, The Alliance Canada has 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 (note 7). The Church will use these funds to make payments to refugees when they arrive in Canada. These funds do not relate to Church operations.

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 individually 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:

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 11

Year ended June 30, 2026, with comparative information for 2025

12. Controlled entity (continued):

Amounts in thousands of Canadian dollars	2025	2024
Financial position:		
Total assets	\$ 32,743	\$ 30,303
Total liabilities	\$ 5,771	\$ 5,621
Total net assets	26,972	24,682
Total liabilities and net assets	\$ 32,743	\$ 30,303
Results of operations		
Total revenues	\$ 16,030	\$ 15,401
Total expenses	13,740	13,471
Excess of revenues over expenses	\$ 2,290	\$ 1,930
Cash flows		
Cash from operations	\$ 3,282	\$ 2,791
Cash used in investing activities	(581)	(701)
Cash used in financing activities	(41)	(45)
Increase in cash and cash equivalents	\$ 2,660	\$ 2,045

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, 2025, \$737,875 (August 31, 2024 – \$680,859) 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, 2025 (August 31, 2024 – \$nil) and credit cards of \$11,218 (August 31, 2024 – \$30,243) 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 12

Year ended June 30, 2026, with comparative information for 2025

13. Related party:

During the year ended June 30, 2026, the Church entered into transactions with a related party, which consisted of a member 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, 2026 were \$43,852 (2025 – \$41,150) for office supplies and repairs and \$4,690 (2025 – \$nil) for building supplies. 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. Shared capital expenditures of \$156,324 were purchased in the years ended August 31, 2019 and August 31, 2020; there were no new costs in succeeding years.

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.

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, the RBC prime-linked cashable guaranteed investment certificates and the Equitable guaranteed interest accounts is minimized substantially by ensuring that these financial instruments are held with a large Canadian financial institution and a large Canadian life insurance company, respectively. Furthermore, RBC is a member financial institution of The Canada Deposit Insurance Corporation, a federal Crown corporation that provides coverage up to \$100,000 per depositor per financial institution. Equitable is a member of Assuris, an industry-funded non-profit organization that guarantees that clients will retain up to the greater of \$100,000 or 90% of the accumulated value of their investments. Federal, provincial and territorial regulators require every life and health insurance company authorized to sell insurance in Canada to become a member of Assuris under the Insurance Companies Act of Canada.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 13

Year ended June 30, 2026, with comparative information for 2025

14. Financial instruments risks (continued):

(a) Credit risk (continued):

The funds invested with the District are in turn loaned by the District 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.

(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 Fund and the three restricted 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 2025.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 14

Year ended June 30, 2026, with comparative information for 2025

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, 2026, with comparative information for 2025

	2026			2025		
	Expenses	Revenues and Recoveries	Net Expenses (Revenues)	Expenses	Revenues and Recoveries	Net Expenses (Revenues)
Staff costs						
Salaries and wages	\$ 3,366,474	\$ -	\$ 3,366,474	\$ 3,195,677	\$ 9,000	\$ 3,186,677
Employee benefits	616,520	-	616,520	573,782	-	573,782
	3,982,994	-	3,982,994	3,769,459	9,000	3,760,459
Deduct: Administrative charges to the Missions Fund and Care Fund	(76,000)	-	(76,000)	(76,000)	-	(76,000)
	\$ 3,906,994	\$ -	\$ 3,906,994	\$ 3,693,459	\$ 9,000	\$ 3,684,459
Ministry costs*:						
Bookstore	\$ 58,565	\$ 85,573	\$ (27,008)	\$ 49,943	\$ 76,977	\$ (27,034)
Care and support (congregational care, recovery, community support and global missions)	7,273	1,253	6,020	26,098	14,231	11,867
Children's ministries	29,310	19,780	9,530	35,824	13,004	22,820
Communications and events	60,973	14,429	46,544	96,970	38,458	58,512
Discipleship – First Steps (Alpha, baptism, classes and discipleship bands)	81,035	2,915	78,120	64,804	250	64,554
Discipleship – Next Steps (small groups, men's and women's ministries)	56,162	48,159	8,003	45,881	38,394	7,487
Family, marriage and seniors	35,824	20,842	14,982	44,403	30,880	13,523
Harvest Ministries	179,672	284,960	(105,288)	137,186	172,141	(34,955)
Portuguese Campus	33,123	13,430	19,693	21,962	4,176	17,786
Southwest Campus	109,655	21,706	87,949	107,528	19,473	88,055
Spanish Campus	33,125	8,223	24,902	33,825	5,293	28,532
Student ministries	68,535	32,991	35,544	44,165	17,940	26,225
Technical arts and Online Campus	47,226	-	47,226	45,377	-	45,377
Worship arts	43,058	11,468	31,590	40,449	11,473	28,976
Worship arts – School of Music	126,978	136,441	(9,463)	101,735	113,070	(11,335)
	\$ 970,514	\$ 702,170	\$ 268,344	\$ 896,150	\$ 555,760	\$ 340,390

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, 2026, with comparative information for 2025

	2026			2025		
	Expenses	Revenues and Recoveries	Net Expenses (Revenues)	Expenses	Revenues and Recoveries	Net Expenses (Revenues)
Support costs*:						
District operating budget	\$ 155,580	\$ -	\$ 155,580	\$ 154,857	\$ -	\$ 154,857
Finance	224,150	-	224,150	187,519	-	187,519
Information technology	234,545	-	234,545	240,729	-	240,729
Maintenance and repairs	241,175	-	241,175	196,814	-	196,814
Office administration	79,922	-	79,922	56,673	-	56,673
Office rent	83,715	-	83,715	33,242	-	33,242
Pastoral administration	116,132	-	116,132	80,306	-	80,306
Rental and other revenues	83,360	716,442	(633,082)	73,421	453,920	(380,499)
Utilities	243,145	-	243,145	267,021	-	267,021
	\$ 1,461,724	\$ 716,442	\$ 745,282	\$ 1,290,582	\$ 453,920	\$ 836,662
Grand total	\$ 6,339,232	\$ 1,418,612	\$ 4,920,620	\$ 5,880,191	\$ 1,018,680	\$ 4,861,511

*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, 2026, with comparative figures for 2025

	Undesignated	Donor Designated	2026 Total
Alliance organizations:			
Foreign missions	\$ 543,284	\$ 55,690	\$ 598,974
Commissioned missionaries	45,283	60,185	105,468
Home missions	28,607	2,970	31,577
Ambrose University	—	600	600
Camp Chamisall	14,109	2,280	16,389
	631,283	121,725	753,008
Other Christian organizations:			
Commissioned missionaries	49,082	103,804	152,886
Other foreign and home missions	45,085	49,173	94,258
	94,167	152,977	247,144
Short-term missions	39,421	—	39,421
	\$ 764,871	\$ 274,702	\$ 1,039,573

	Undesignated	Donor Designated	2025 Total
Alliance organizations:			
Foreign missions	\$ 582,052	\$ 64,729	\$ 646,781
Commissioned missionaries	40,762	86,302	127,064
Home missions	21,500	1,020	22,520
Ambrose University	500	600	1,100
Camp Chamisall	12,434	2,880	15,314
	657,248	155,531	812,779
Other Christian organizations:			
Commissioned missionaries	48,525	121,229	169,754
Other foreign and home missions	53,000	50,543	103,543
	101,525	171,772	273,297
Short-term missions	110,289	—	110,289
	\$ 869,062	\$ 327,303	\$ 1,196,365

Joining *Jesus*

in the renewal of all things.

(Revelation 21:5a NLV)



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