

Annual Report First Printing: October 7, 2022

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Agenda

Annual General Meeting of First Alliance Church Sunday, October 30, 2022

First Segment

1. Meeting called to Order
2. Opening Comments & Prayer
3. Declaration of Quorum based on Report from Registration Secretary
4. Approval of the 2022 Agenda
5. Minutes of the Annual General Meeting of Sunday, November 21, 2021
6. Motion to Appoint Tellers for Annual General Meeting
7. Report of the Nominating Committee for 2022/2023
8. Election of Elders
9. Election of the Nominating Committee for 2023/2024
10. The Story of God's Provision
 - a. Report of the Treasurer
 - b. Appointment of auditors for the fiscal period of July 1, 2022 to June 30, 2023
 - c. Motion regarding Capital Fund Lending Facility - Future Improvements

Second Segment

1. Report on Ministry
 - a. Glenmore Christian Academy Report
 - b. Ministry Story of 2021/2022
2. Question & Answer Session
3. Closing Comments & Prayer



A Note From Pastor James



COVID has for many impacted our sense of time. We're often asking, "Did this happen last year or the year before?" Of course, it could just be that I'm getting old!! This is now my 8th report to you and I'm not always sure of where the time has gone.

Pausing to look back at this time of year reminds us all of God's faithfulness.

We can see in so many ways how Jesus' promise to build his church has become apparent, not least of which was becoming debt free. I'm looking forward to sharing some of our great stories with you at our vision weekend.

Most recently, by the time of our Annual General Meeting, FAC en Español will have launched on the Deerfoot campus as we continue on our journey of being a church for our city. It inspires me to look forward to all that is to come. Are you ready for an adventure?

We've talked often about our M&M goals at FAC: momentum, missions, multiplication, and money. This year the language will change but our passion remains: *Building lives that honour God ... all for Jesus!* I hope you can be present at our vision weekend and Annual General Meeting, to learn more of where we sense God calling us. We read in Hebrews:

*"Since, then, we have a great high priest who has passed through the heavens, Jesus, the Son of God, let us hold fast to our confession. For we do not have a high priest who is unable to sympathize with our weaknesses, but we have one who in every respect has been tested as we are, yet without sin. **Let us therefore approach the throne of grace with boldness, so that we may receive mercy and find grace to help in time of need.**" (Hebrews 4:14-16, NRSVue)*

Jesus knows our situation – yours personally – and ours as a church family. He knows our frailty and our challenges. While nothing is easy right now the opportunities are immense. Please join me as together we approach God's throne of grace.

James Paton
Lead Pastor



Reflections from our Board of Elders

Written by Dave Orr, Chairman of the Board of Elders

During the fiscal year of 2021/2022, we still had a period when meeting together in person as a church was challenging. It was a difficult year where COVID still impacted many areas of church life together: online-only services, no singing, start singing, no gatherings, small gatherings, masks, no masks, then opening up to in-person again. The past year brought many "pivots," presenting many difficulties to overcome. We're grateful to God for seeing us through these times and building Himself into our lives.

COVID took a toll on everyone in our church. Some shared with me last summer that it was their first time in person in 2 years; some have felt isolated, and others have functioned quite well. It's made us all look at things a bit differently. When we've been able to gather in person, many expressed immense gratitude for this – as we did when Christmas and Easter services were available to us to worship in person.

Despite all the year's challenges, I see progress in numerous areas. An exciting milestone towards the end of the fiscal year was the announcement in May that we would be able to pay off our remaining debt on our Deerfoot Campus building. This target was set for 2021 and was met even as we navigated the financial challenges caused by the pandemic. Thank you for faithfully giving as a congregation; we're grateful for God's provision allowing us to become debt-free! While this is a substantial achievement, we are faced with a small operating budget deficit for the fiscal year. We must continue to give faithfully and be diligent in our stewardship this coming year to maintain a healthy financial position and build capital funds for projects that address our aging Deerfoot Campus. Increased costs and upgrade requirements for IT and other areas will require these capital funds.

Our multi-campus model continued with the Southwest Campus starting to rebuild in numbers this year – the campus had only been going for a few months before COVID made its impact. We continue in our desire to build lives that honour God with those in the SW through this location. The campus did experience challenges with the health of Pastor Jeff Marshall in June –

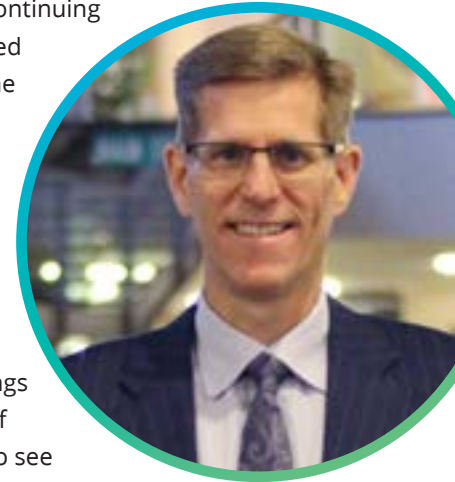
we're grateful to God for his continuing recovery and pray for continued healing and strength during the coming weeks.

An exciting development in our multi-campus family was the planning for a Spanish congregation at the Deerfoot Campus, which will have just begun to meet Sunday mornings for services near the release of this Annual Report. It's great to see the initial excitement for FAC en Español!

With a couple of "trial" services already taken place, we're ready to celebrate its launch just after Thanksgiving. Congratulations to the team for getting everything to this point! We look forward to what God will do as this congregation establishes as part of FAC.

In addition to the development of FAC en Español, the FAC community as a whole is becoming more diverse than ever, evident in our weekend services across campuses. It's beautiful to see new people, new families, and more cultural backgrounds that add richness and diversity to our congregation.

All of these things continue to build momentum in our church. It's been difficult to track engagement over the last few years, but it seems to be growing this fall. FAC staff have been working on providing core programming and are exploring new ways to provide ministry, so let's lean in by actively serving in areas of our giftedness. Please join me in thanking the staff for their effort and diligent work the past year – and continue to pray for Pastor James and our leadership as we continue *building lives that honour God*. Thank you to the Board of Elders, who willingly and prayerfully engage in complex circumstances and decision-making. It's a pleasure to serve alongside them; please continue to pray for the Board in the coming year. Thanks to each of *you* as well – for your service, generosity, and commitment to connecting, growing, serving, and sharing all for Jesus in 2022/2023!



Minutes

Annual General Meeting of First Alliance Church
Sunday, November 21, 2021
12345 40 Street SE Calgary, AB

First Segment

1. **Meeting Called to Order** – Brent Kinnie called the meeting to order at 7:08 pm.
2. **Opening Prayer** – Craig Bundy opened the meeting in prayer.
3. **Quorum** – The meeting was declared duly constituted based on a report from the Registration Secretary.
4. **Approval of Agenda** – Brent Kinnie reviewed the agenda as included in the Annual Report.
M/S/C the adoption of the agenda as presented.
5. **Minutes of the Annual General Meeting of Sunday, October 25, 2020.**
M/S/C the approval of the minutes of the Annual General Meeting conducted on Sunday Oct 25, 2020.
6. **Motion to appoint tellers for the Annual General Meeting of Sunday, November 21, 2021.**
M/S/C to appoint Dennis Wilks as the Head Teller.
7. **Report of the 2021/2022 Nominating Committee** – The Nominating Committee recommended the following individuals to serve as Elders for a 2-year term commencing immediately:
 - Phil Bauer (2nd term)
 - Brad Emery (2nd term)
 - Brian Hargreaves (2nd term)
 - Etim Idorenyin (1st term)
 - Olumide Obafemi (1st term)
 - Dave Orr (1st term)
 - Jason Sawers (1st term)
 - Victor Wong (3rd term)**Nominations for the 2022/2023 Nominating Committee:**
 - Mora Bundy
 - Rebecca Gifford
 - Pam Jonasson
8. **Election of Elders** – all individuals recommended to serve as Elders for a 2-year term were approved by majority ballot.
9. **Election of the Nominating Committee** – all individuals recommended to serve on the 2022/23 Nominating Committee were approved by majority ballot.

10. M/S/C that the ballots of the election of the Elders and Nominating Committee be destroyed.

11. The Story of God's Provision – Blair Cooper reviewed a PowerPoint presentation as well as referencing financial reports contained within the Annual Report. Q&A followed the presentation.

M/S/C that the public accounting firm KPMG LLP be appointed as accountants for the year ending June 30, 2022.

Second Segment

1. Report on Ministry

- a. **Glenmore Christian Academy** – A report was read to the members on behalf of Stan Hielema, GCA Head of School, by Brian Hargreaves, Chairman of the GCA Board of Directors. Brian also shared his personal history with GCA dating back to his years as a student of GCA.
- b. **FAC Ministry Story of 2020/2021** – Pastor James Paton provided a summary of the ministry activities and results over the past year. A video presentation accompanied his report and a 'Year at a GLANCE' summary was provided with the Annual Report. As part of his report an update on the process to consider the election of women to the elders board and the churches position not to require vaccination passports for church attendance was provided. Also of note were plans to begin a Spanish Ministry. Pastor James acknowledged the staff's efforts this past year and the support of the Board of Elders. He concluded his report referencing Hebrews 10:19-25.

2. **Question & Answer Session** – questions from the membership were received and responded to by Pastor James and Chairman of the Board of Elders, Brent Kinnie.

3. **Closing Comments** – Brent Kinnie recognized the staff that were present, thanked the Board of Elders he served with the past year in his role as Chairman and thanked Pastor James for leading us well during the challenges of the pandemic.

4. **Closing Prayer** – Ray Matheson closed the meeting in prayer. The meeting adjourned at 8:37 pm.

Respectfully Submitted,

Brent Kinnie

(Chairman of the Board of Elders)

Phil Bauer

(Acting Secretary)



Building lives that honour God – in every season.

Report of the Nominating Committee

Nominations for the Board of Elders for 2022-2023

An elected Elder may serve up to 3 two-year terms sequentially and must sit out at least 1 year before being eligible to serve as an Elder again. After a thorough, prayerful process, **the Nominating Committee recommends the following names* for a 2-year term commencing Fall 2022:**

Charles Ang (2nd Term)
Andres Gutierrez (1st Term)
Arnold Schellenberg (1st Term)

Daniel Hui (3rd Term)
Mike Mackinnon (1st Term)

Elders serving to Fall 2023:

Phil Bauer (2nd Term)
Brad Emery (2nd Term)
Brian Hargreaves (2nd Term)

Olumide Obafemi (1st Term)
Dave Orr (1st Term)
Jason Sawers (1st Term)
Victor Wong (3rd Term)

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

Blair Cooper
Etim Idorenyin
Craig Jones

Nominating Committee Members:

Pastor James Paton, Chairman, Brad Emery, Jason Sawers, Brian Hargreaves
Mora Bundy, Rebecca Gifford, Pam Jonasson

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 2022-2023 Nominating Committee*:

Peace Oyetunji
Carolyn Scheil
Al Weber

**Personal profiles of nominated Elders and Nominating Committee available on pages 8-10.*

Profiles of Nominated Elders

for a 2-year term commencing Fall 2022

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 co-led a Small Group for young professionals and served with the church's Guest Experiences ministry 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.

Daniel Hui



Daniel is married to Connie and they have two wonderful children. Daniel and Connie have attended FAC since 2004. They currently lead a small group and had served in the Sunday prayer gatherings from 2015-2018. Daniel and Connie have also served with Mosaic Ministries since 2013. Daniel enjoys spending time with his family; hiking, swimming and playing badminton are his favorite activities. He also has a passion in the area of Christian Education.

Andrés Gutierrez



Andrés has been married to his wife Paula for 3 years; they are a family restored by the Lord. They are parents to 2 wonderful children in grades 6 and 7. Paula is the "mother of the heart" to Santi and Sophia. Andrés has been attending FAC since January 2019 and has served in various roles: earlier this summer with Pastor Carter Reimer, leading the first Deerfoot Campus Soccer Camp, hosting a Spanish small group, as well as the Environments Team on the technical booth. He is currently serving as Stage Manager for FAC en Español.

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

Mike Mackinnon

Mike and his wife, Annie, have been married for six years and have two beautiful daughters. They immigrated to Calgary from the United Kingdom and have enjoyed being a part of the First Alliance Church Community. Mike is passionate about seeing both the men's and family ministries thrive. At work, he enjoys leadership, finance and business strategy. Away from work, Mike enjoys all sports and spending time with his family hiking in the mountains.

**Arnold Schellenberg**

Arnold and his wife Phyllis started attending FAC a couple of months after moving to Calgary from Regina in 2001. They have 2 adult sons: Nathan in Regina, Duane in Calgary with his wife and son. Spending time with their grandchild has been one of Arnold's favourite activities since retiring (from business planner at 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 his involvements in FAC ministries: choir, leading a small group, Audit & Finance Committee, and Congregational Care.



2022-2023 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 2022:

Peace Oyetunji

Peace moved to Canada from Nigeria in 2010, and has attended FAC since then. Born into a loving family of 7 (all 5 girls), Peace lost her biological parents at a young age. She grew up with her foster parents who are pastors, and their lives impacted her tremendously.

She calls FAC home because she loves the community of brothers and sisters who are united in purpose to seek the heart of the Father, to serve Him in truth and in Spirit. She has served in various ministries here at FAC - DiscoveryLand, Alpha, choir, and currently worship team and as a weekend host. She longs to see the transformation that takes place when Jesus steps into a life and when our lives are truly surrendered to Him. Peace is excited to see our church family continue to grow in love, in revelation of the word of and in the power of the Holy Spirit. A good day is a day when she gets to design clothes while listening to music. She also enjoys hanging out with family and friends.

Carolyn Scheil

Carolyn has been attending FAC since the late 1980's when Carolyn and her husband Henry chose FAC to be married in and as their home church. FAC has been their home church since then except for a stint in Asia in the 1990's for 6 years. Carolyn values the Women2Women group at FAC and has been actively involved for years leading small group discussions. Although she has volunteered in other areas - DiscoveryLand Camps, hosting a small group in their home - her passion lies in the discipleship area.

Professionally, Carolyn is a CPA CA with a thriving accounting practice servicing owner managed businesses. Her motto is Numbers Explained. Results. She currently volunteers on 2 boards: STM Ministries Association and Mustard Seed Foundation board. She volunteered on sporting and school boards when her children were younger. Carolyn understands the importance of a well-placed board.

Al Weber

Al and Heather started attending FAC after moving to Calgary in 1978. Very quickly, under Pastor Grout's teaching they both accepted Jesus as their Lord and Saviour. Al started serving very quickly in "boys brigade" for a number of years. He always loves to meet new people and started greeting and ushering, and still loves doing that alongside Heather.

Al became a Deacon in the 1980's in the days we still had deacons! He served as an Elder in the late 1980's and early 1990's and on other various committees. Al and Heather have been involved in leading and attending small groups at FAC since the beginning and they have both served for a number of years in Discoveryland (nursery). They are currently serving as greeters as part of the Guest Services team for the Saturday night service. Al and Heather love our church and are committed to serving wherever they can.

Commentary on Financial Results

First Alliance Church of The Christian and Missionary Alliance For the Year Ended June 30, 2022

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, 2022. It should be read in conjunction with the audited financial statements, notes and schedules dated September 28, 2022.

Unless otherwise noted, reference to dollar amounts in this Commentary are in thousands of Canadian dollars.

Financial Highlights

Total revenues were down 9%, or \$747, to \$7,997. Total expenses increased 7%, or \$508, to \$7,664. The breakdown of revenues and expenses is shown below:

(\$ thousands)	2022	2021	Change	% Change
Revenues				
General Fund	5,435	6,098	(663)	(11)%
Missions Fund	1,019	922	97	11 %
Capital Fund	487	686	(199)	(29)%
Care Fund	309	291	18	6 %
Total	7,250	7,997	(747)	(9)%
Expenses				
Staff Costs	3,931	3,713	218	6 %
Ministry Costs	511	549	(38)	(7)%
Support Costs	1,040	905	135	15 %
Missions Fund	1,034	869	165	19 %
Capital Fund	905	939	(34)	(4)%
Care Fund	243	181	62	34 %
Total	7,664	7,156	508	7 %

The excess (deficiency) of revenues over expenses by fund is shown below:

(\$ thousands)	2022	2021	Change	% Change
General Fund	(47)	931	(978)	(105)%
Missions Fund	(15)	53	(68)	(128)%
Capital Fund	(418)	(253)	(165)	(65)%
Care Fund	66	110	(44)	(40)%
Total	(414)	841	(1,255)	(149)%

General Fund Highlights

The General Fund ended the year with a deficit of \$47 (2021 - \$931 surplus). COVID special grant funding, which had last year facilitated expanded programs to respond to needs in the local community, concluded at the end of October 2021. The total amount received from the Canada Emergency Wage Subsidy was \$154 (2020 - \$611). Staff costs increased in 2022 mainly due to the transition of personnel in certain key positions, as well as the increasing cost of government and other benefits provided to staff. Ministry costs decreased slightly mainly due to the reduction in the community food program, partially offset by higher costs resulting from the resumption of in-person services and ministry activities. A key driver of higher Support costs was the increased cost of electricity and natural gas utilities.

Missions Fund Highlights

Revenues and expenses in the Missions Fund increased mainly due to the response for Ukraine relief and the related media project. Donations and proceeds from the silent auction raised approximately \$65; FAC contributed an additional \$30 to these initiatives.

Capital Fund Highlights

The Capital Fund ended the year with a \$418 deficit (2021 - \$253 deficit). We invested \$182 (2021 - \$269) in capital furniture and equipment during the year. The outstanding loan balance of \$455 at the end of 2021 was fully repaid in May 2022.

Summary

First Alliance Church, as we reflect on the blessings God has given us I am thankful that we can come together as a community to build lives that honor God. We give with our time, talents and tithes to Him for His glory believing he will do so much more than we can imagine. I am humbled to see lives changed as we continue to connect, grow, serve, and share – all for Jesus!

– Respectfully submitted by Blair Cooper, Treasurer

Financial Statements of

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

And Independent Auditors' Report thereon

Year ended June 30, 2022


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 auditors 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 auditors.

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

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INDEPENDENT AUDITORS' 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, 2022;
- 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, 2022, 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 **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

September 28, 2022

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Statement of Financial Position

June 30, 2022, with comparative information for 2021

	General Fund	Restricted Funds			Total 2022	Total 2021
		Missions Fund	Capital Fund	Care Fund		
Assets						
Current assets:						
Cash on deposit (note 2)	\$ 203,970	\$ 99,774	\$ -	\$ 280,689	\$ 584,433	\$ 572,088
Short-term investments (note 2)	2,071,324	-	-	-	2,071,324	1,993,977
Accounts receivable (note 3)	56,556	-	1,636	-	58,192	96,684
Prepaid expenses	92,109	-	-	-	92,109	75,506
Inventory	72,454	-	-	-	72,454	91,619
Interfund loan to Capital Fund	113,330	-	-	-	113,330	-
	2,609,743	99,774	1,636	280,689	2,991,842	2,829,874
Employee loan (note 4)	100,000	-	-	-	100,000	100,000
Capital assets (note 5)	-	-	26,732,521	-	26,732,521	27,523,381
	\$ 2,709,743	\$ 99,774	\$ 26,734,157	\$ 280,689	\$ 29,824,363	\$ 30,453,255
Liabilities and Fund Balances						
Current liabilities:						
Accounts payable and accrued liabilities (note 8)	\$ 283,693	\$ 47,312	\$ -	\$ 350	\$ 331,355	\$ 482,780
Deferred revenue (note 6)	45,668	-	19,771	-	65,439	28,095
Deposits on refugee applicants (note 7)	732,003	-	-	-	732,003	490,483
Interfund loan from General Fund	-	-	113,330	-	113,330	-
Demand loans (note 8)	-	-	-	-	-	454,761
	1,061,364	47,312	133,101	350	1,242,127	1,457,119
Fund balances:						
Unrestricted	1,148,379	52,462	(131,465)	280,339	1,349,715	1,427,516
Internally restricted	500,000	-	-	-	500,000	500,000
Invested in capital assets	-	-	26,732,521	-	26,732,521	27,068,620
	1,648,379	52,462	26,601,056	280,339	28,582,236	28,996,136
Commitments and contingencies (note 9)						
	\$ 2,709,743	\$ 99,774	\$ 26,734,157	\$ 280,689	\$ 29,824,363	\$ 30,453,255

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, 2022, with comparative information for 2021

	General Fund		Missions Fund	Restricted Funds		Total 2022	Total 2021
	2022	2021		Capital Fund	Care Fund		
Revenues:							
Offerings							
General	\$ 4,692,019	\$ 4,939,257	\$ 735,612	\$ 227,443	\$ 268,080	\$ 1,231,135	\$ 1,334,059
Designated	153,794	611,169	279,976	259,595	40,933	580,504	562,253
COVID-19 government relief (note 13)	—	—	—	—	—	—	—
Earned revenue and recoveries	544,775	513,930	2,901	—	—	2,901	840
(Schedule 1)	44,112	33,513	—	—	—	—	—
Investment income	—	—	—	—	—	—	—
Gain on disposal of assets	—	—	—	—	—	—	1,500
	5,434,700	6,097,869	1,018,489	487,038	309,013	1,814,540	1,898,652
Expenses (Schedule 1):							
Staff costs	3,930,631	3,712,653	—	—	—	—	—
Ministry costs (Schedule 2)	511,183	548,724	1,013,959	—	242,873	1,256,832	1,031,914
Support costs (note 11)	1,039,928	905,107	19,624	11,729	—	31,353	73,198
Amortization	—	—	—	892,875	—	892,875	884,327
Loss on disposal of assets	—	—	—	338	—	338	—
	5,481,742	5,166,484	1,033,583	904,942	242,873	2,181,398	1,989,439
Excess (deficiency) of revenues over expenses	(47,042)	931,385	(15,094)	(417,904)	66,140	(366,858)	(90,787)
Fund balances, beginning of year	1,695,421	1,314,036	67,556	27,018,960	214,199	27,300,715	26,841,502
Interfund transfers	—	(550,000)	—	—	—	—	550,000
Fund balances, end of year	\$ 1,648,379	\$ 1,695,421	\$ 52,462	\$ 26,601,056	\$ 280,339	\$ 26,933,857	\$ 27,300,715

See accompanying notes to financial statements.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Statement of Cash Flows

Year ended June 30, 2022, with comparative information for 2021

	General Fund		Restricted Funds			Total
	2022	2021	Missions Fund	Capital Fund	Care Fund	Total
						2022
						2021
Cash provided by (used in):						
Operating activities:						
Offerings:						
General	\$ 4,692,019	\$ 4,939,257	\$ 735,612	\$ 227,443	\$ 268,080	\$ 1,231,135
Designated	—	—	279,976	259,595	40,933	580,504
COVID-19 government relief	153,794	611,169	—	—	—	—
Deposits on refugee applicants	241,520	364,176	—	—	—	—
Earned revenues and recoveries	570,376	425,713	2,901	19,771	—	22,672
Staff costs	(3,938,178)	(3,699,537)	—	—	—	—
Ministry costs	(498,710)	(540,754)	(1,068,636)	—	(247,221)	(1,315,857)
Support costs	(1,058,649)	(930,719)	(19,624)	(11,729)	—	(31,353)
	162,172	1,169,305	(69,771)	495,080	61,792	487,101
						735,903
Investments:						
Purchase of capital assets (note 11)	—	—	—	(182,167)	—	(182,167)
Proceeds on disposal of capital assets	—	—	—	—	—	—
Purchase or redemption of short-term investments	(200,000)	(1,000,000)	—	200,000	—	200,000
	(200,000)	(1,000,000)	—	17,833	—	17,833
						(267,092)
Financing:						
Loan payments	—	—	—	(454,761)	—	(454,761)
Interfund loans and transfers	(113,330)	(550,000)	—	113,330	—	113,330
	(113,330)	(550,000)	—	(341,431)	—	(341,431)
						(970,104)
Increase (decrease) in cash on deposit	(151,158)	(380,695)	(69,771)	171,482	61,792	163,503
Cash on deposit, beginning of year (note 2)	355,128	735,823	169,545	(171,482)	218,897	216,960
						718,253
Cash on deposit, end of year (note 2)	\$ 203,970	\$ 355,128	\$ 99,774	\$ —	\$ 280,689	\$ 380,463
						\$ 216,960

See accompanying notes to financial statements.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements

Year ended June 30, 2022, with comparative information for 2021

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, investment certificates held by Canadian financial institutions and cheques issued in excess of cash. Highly-liquid investments with original maturities less than three months 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 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 Library and Resource Centre. 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.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 2

Year ended June 30, 2022, with comparative information for 2021

1. Significant accounting policies (continued):

(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.

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	50
Computer equipment	4
Furniture and equipment	10
Parking lot	25

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

(e) Fund accounting:

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

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

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

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

The Care Fund accounts for offerings designated for assisting individuals and families who are experiencing financial and material needs so that the Church can minister to the whole person. The Care Fund also accounts for memorial services.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 3

Year ended June 30, 2022, with comparative information for 2021

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.

Earned revenue 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, beverages, and others.

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, which includes the COVID-19 relief funding.

(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, 2022, with comparative information for 2021

1. Significant accounting policies (continued):

(i) Financial instruments policy:

(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 and short-term investments, accounts receivable and employee loan. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and demand loans.

(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, 2022, with comparative information for 2021

1. Significant accounting policies (continued):

(j) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organization 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, the net payable amount for vacation pay, 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.

	2022	2021
Cash on deposit	\$ 584,433	\$ 572,088
Investment certificates	2,071,324	1,993,977
	<u>\$ 2,655,757</u>	<u>\$ 2,566,065</u>

The rate of return on short-term investments for the year was 1.95% to 3.20% (2021 – 1.95%). There are two investment certificates with anniversary dates of July 5, 2022 and October 8, 2022. The interest earned on the certificates is compounded annually on the anniversary dates to redemption. Partial or full redemptions may be made at any time.

3. Accounts receivable:

	2022	2021
Trade accounts receivable	\$ 29,841	\$ 36,826
Goods and Services Tax receivable	14,961	14,942
Accrued contribution for Canada Summer Jobs program	13,390	11,680
Accrued interest on short-term investments	–	33,236
	<u>\$ 58,192</u>	<u>\$ 96,684</u>

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 6

Year ended June 30, 2022, with comparative information for 2021

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, 2022, the Church has \$100,000 (2021 – \$100,000) owing from the employee.

5. Capital assets:

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 4,617,440	\$ –	\$ 4,617,440	\$ 4,617,440
Building	29,224,332	8,361,047	20,863,285	21,443,856
Computer equipment	1,246,129	1,059,450	186,679	271,383
Furniture and equipment	2,589,920	1,777,093	812,827	924,282
Parking lot	353,232	100,942	252,290	266,420
	\$ 38,031,053	\$ 11,298,532	\$ 26,732,521	\$ 27,523,381

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:

	2022	2021
Event registrations	\$ 40,783	\$ 12,953
Deferred revenue on account of capital	19,771	–
Event deposits	4,885	16,142
	\$ 65,439	\$ 29,095

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 7

Year ended June 30, 2022, with comparative information for 2021

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 9). Funds are held on behalf of the third-party sponsors and do not relate to Church operations. As at June 30, 2022, the Church held \$732,003 (2021 – \$490,483) of these deposits.

8. Demand loans:

The balance of the non-revolving demand term facility loan as at June 30, 2022 was \$nil (2021 – \$454,761). The loan bore interest at the bank's prime rate plus 0.50% per annum and was repayable in blended monthly payments of \$45,000. The final loan payment was made on May 6, 2022; accordingly, this facility has been terminated.

At June 30, 2022, the Church had the following credit facilities available with a lender:

A revolving demand facility loan with a \$600,000 limit (2021 – \$600,000) that bears interest at the bank's prime lending rate plus 0.50% per annum. As at June 30, 2022, \$nil (2021 – \$nil) was drawn on the facility.

A business credit card with a \$200,000 limit that is governed by a separate agreement. As at June 30, 2022, \$27,355 (2021 – \$25,836) was drawn on the credit card facility. These amounts are included in accounts payable and accrued liabilities on the statement of financial position.

All facility loans 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, 2022, the Church was in compliance with this requirement.

During the year the Church paid \$5,506 (2021 – \$45,749) in interest expense on its non-revolving demand term facility loan. Interest expense is included in support cost expenses of the Capital Fund.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 8

Year ended June 30, 2022, with comparative information for 2021

9. Commitments and contingencies:

Commitments:

The Church has lease commitments for facility and equipment. Minimum payments for these leases, excluding annual operating costs, are as follows:

	Facility	Equipment	Total
2023	\$ 22,056	\$ 18,668	\$ 40,724
2024	—	18,668	18,668
2025	—	18,668	18,668
2026	—	18,668	18,668
2027	—	6,223	6,223
	\$ 22,056	\$ 80,895	\$ 102,951

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 up to the amount specified by IRCC. During the year, the Church paid \$24,000 (2021 – \$nil) in direct support. As at June 30, 2022, the Church has estimated its contingent liability at \$146,700 (2021 – \$nil).

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 9

Year ended June 30, 2022, with comparative information for 2021

10. 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):

	2021	2020
Financial position:		
Total assets	\$ 24,886	\$ 22,803
Total liabilities	\$ 5,500	\$ 5,068
Total net assets	19,386	17,735
Total liabilities and net assets	\$ 24,886	\$ 22,803
Results of operations		
Total revenues	\$ 12,126	\$ 11,825
Total expenses	10,475	10,681
Excess of revenues over expenses	\$ 1,651	\$ 1,144
Cash flows		
Cash from operations	\$ 2,721	\$ 1,740
Cash used in investing activities	(282)	(1,664)
Cash from (used in) financing activities	(11)	684
Increase in cash and cash equivalents	\$ 2,428	\$ 760

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

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 10

Year ended June 30, 2022, with comparative information for 2021

10. Controlled entity (continued):

The resources of the Society are restricted in that as of August 31, 2021, \$539,212 (August 31, 2020 – \$548,093) 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, 2021 (August 31, 2020 – \$nil) and Mastercard credit cards of \$32,549 (August 31, 2020 – \$29,998) 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.

11. Related parties:

During the year ended June 30, 2022, the Church entered into transactions with related parties, which consisted of companies related to a member of the Board of Elders. Included in support costs expenses and purchase of capital assets for the year ended June 30, 2022 was \$27,370 and \$39,091, respectively, for offices supplies and furnishings. 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 each year until terminated by either party. The Church has exclusive access to the theatre, theatre foyer, cafeteria, west gym and other rooms on Sunday mornings. The agreement will automatically renew annually, until terminated by either party with a written notice. Part of the agreement requires the Church and the Society to purchase certain equipment and the cost of this equipment will be shared equally. If the agreement is terminated by the Society, the net book value of the equipment paid by the Church will be charged back to the Society.

12. 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 and short-term investments 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.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 11

Year ended June 30, 2022, with comparative information for 2021

12. Financial instruments (continued):

The Church's credit risk exposure on cash on deposit is minimized substantially by ensuring that these financial instruments are held with a large Canadian financial institution. The Church's short-term investments are 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 investments 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. As the demand loan was repaid prior to June 30, 2022, the Church is no longer 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).

Other than the change to interest rate risk noted above and the ongoing impacts of COVID-19 (note 13), there have been no changes to the other risk exposures from 2021.

FIRST ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Notes to financial statements, page 12

Year ended June 30, 2022, with comparative information for 2021

13. COVID-19 and government assistance:

COVID-19's impact on the Church:

As at the reporting date, the Church has determined that COVID-19 has had no impact on its accounting policies, contracts or lease agreements, the assessment of provisions and contingent liabilities, or the timing of revenue recognition. The Church has not assessed any impairment that needs to be recognized on its capital assets at June 30, 2022, as it continues to use these assets in the normal course of operations. The Church continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis. As at June 30, 2022, the Church continues to meet its contractual obligations within normal payment terms and the Church's exposure to credit risk remains largely unchanged.

Canada emergency wage subsidy:

The Government of Canada created the Canada Emergency Wage Subsidy ("CEWS") to provide wage assistance to qualifying entities which experienced a certain drop in revenues resulting from the COVID-19 pandemic. During the year, the Church recognized \$153,794 (2021 – \$611,169) in respect of its employees for the period from July 1, 2021 to October 23, 2021, whereupon the Church's eligibility for CEWS ended. The full amount was collected prior to June 30, 2022. While qualifications and subsidy amounts may be subject to audit by the CRA, the Church is confident with respect to its entitlement to the subsidies received.

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

Year ended June 30, 2022, with comparative figures for 2021

	2022		2021	
	Expenses	Earned Revenues and Recoveries	Expenses	Earned Revenues and Recoveries
Staff costs				
Salaries and wages	\$ 3,388,259	\$ 54,500	\$ 3,258,272	\$ 48,600
Employee benefits	542,372	—	454,381	—
	\$ 3,930,631	\$ 54,500	\$ 3,712,653	\$ 48,600
Ministry costs*				
Children's ministries	\$ 33,179	\$ 8,903	\$ 25,050	\$ —
Communications and events	33,289	—	42,948	—
Community impact	9,616	—	206,049	—
Congregational care	4,854	—	4,162	—
Family and marriage	7,716	2,111	6,006	2,700
Harvest ministries	92,352	43,565	24,969	3,201
Leadership development	5,753	—	7,402	—
Library and resource centre	55,037	73,791	37,270	41,749
Life connection	20,750	8,761	11,592	5,710
Life development	24,452	2,384	22,343	2,516
Seniors	9,619	5,280	6,382	4,170
Student's ministries	18,472	1,497	7,994	750
Southwest Campus	77,885	—	25,291	—
Technical arts	35,173	—	38,051	—
Worship arts	83,036	61,041	83,215	65,906
	\$ 511,183	\$ 207,333	\$ 548,724	\$ 126,702
Support costs*				
C. & M. A. district operating	\$ 140,170	\$ —	\$ 142,205	\$ —
Finance	182,296	—	147,977	—
Information technology	103,738	—	85,064	—
Maintenance and repairs	177,206	—	187,273	—
Office administration	42,577	—	26,765	—
Office rent	36,572	3,018	57,793	5,906
Pastoral administration	92,062	471	65,431	—
Rental and other revenues	8,163	279,453	1,366	332,722
Utilities	257,144	—	191,233	—
	\$ 1,039,928	\$ 282,942	\$ 905,107	\$ 338,628
Grand total	\$ 5,481,742	\$ 544,775	\$ 5,166,484	\$ 513,930

* 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, 2022, with comparative figures for 2021

	Undesignated	Donor Designated	2022 Total
Alliance foreign missions	\$ 631,979	\$ 166,048	\$ 798,027
Alliance home missions	23,800	1,120	24,920
Ambrose University and other colleges, seminaries	11,600	300	11,900
Camp Chamisall	11,600	6,270	17,870
Commissioned missionaries	49,838	84,741	134,579
Other Christian organizations	750	20,897	21,647
Short-term missions	5,016	—	5,016
	\$ 734,583	\$ 279,376	\$ 1,013,959

	Undesignated	Donor Designated	2021 Total
Alliance foreign missions	\$ 597,465	\$ 54,225	\$ 651,690
Alliance home missions	22,725	1,020	23,745
Ambrose University and other colleges, seminaries	11,365	—	11,365
Camp Chamisall	11,365	9,392	20,757
Commissioned missionaries	43,629	89,071	132,700
Other Christian organizations	—	8,079	8,079
Short-term missions	—	2,809	2,809
	\$ 686,549	\$ 164,596	\$ 851,145

"Building lives that honour God."

We are no longer foreigners and strangers,
but fellow citizens with God's people and
members of His household ...

In Him we are being

built together

to become a dwelling in which
God lives by His Spirit.

EPHESIANS 2:19, 22 (NIV)



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