

FOOTHILLS ALLIANCE CHURCH

FINANCIAL STATEMENTS

JUNE 30, 2025



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INDEPENDENT AUDITORS' REPORT

To the Board of Elders of Foothills Alliance Church,

Qualified Opinion

We have audited the financial statements of Foothills Alliance Church, which comprise of the statement of financial position as at June 30, 2025, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the *Basis for Qualified Opinion*, the accompanying financial statements present fairly, in all material respects, the financial position of Foothills Alliance Church as at June 30, 2025 and the results of its operations, changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified 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.

In common with many not-for-profit organizations, the Church derives revenues from donations, the completeness of which is not readily susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Church and we were not able to determine whether any adjustments might be necessary to fund raising activities and donations, excess of revenue over expenses, assets and fund balances.

Responsibilities of Management's 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 (ASNPO), 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 these financial statements, management is responsible for assessing the Church's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Church or to cease operations, or has no realistic alternative to do so.

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

Auditor's Responsibility 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 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 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 Church'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 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.

CALGARY, ALBERTA
November 13, 2025


CHARTERED PROFESSIONAL ACCOUNTANTS

FOOTHILLS ALLIANCE CHURCH
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

	General Funds	Building Funds	(Note 11) Missions Funds	Justice and Compassion Funds	(Note 12) Other Funds	Total 2025	Total 2024
ASSETS							
CURRENT							
Cash (Note 11) and (Note 12)	\$ 893,940	\$ 20,102	\$ 165,211	\$ 285,611	\$ 132,527	\$ 1,497,391	\$ 1,586,786
Accounts receivable	71,586	-	-	-	-	71,586	56,107
Goods and services tax recoverable	10,254	-	-	-	-	10,254	69,816
Loan receivable due within one year (Note 3)	7,500	-	-	-	-	7,500	4,479
Prepaid expenses	<u>20,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,876</u>	<u>23,872</u>
	1,004,156	20,102	165,211	285,611	132,527	1,607,607	1,741,060
Loans receivable (Note 3)	45,103	-	-	-	-	45,103	53,541
Capital assets (Note 4)	<u>-</u>	<u>10,501,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,501,511</u>	<u>10,915,542</u>
	<u>\$ 1,049,259</u>	<u>\$ 10,521,613</u>	<u>\$ 165,211</u>	<u>\$ 285,611</u>	<u>\$ 132,527</u>	<u>\$ 12,154,221</u>	<u>\$ 12,710,143</u>
LIABILITIES							
CURRENT							
Accounts payable and accrued liabilities	\$ 134,381	\$ -	\$ -	\$ -	\$ -	\$ 134,381	\$ 145,357
Deferred revenue (Note 5)	60,955	-	-	-	-	60,955	81,187
Leasehold allowance (Note 6)	-	-	-	-	-	-	27,256
Long term debts due within one year (Note 7)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>431,172</u>
	<u>195,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,336</u>	<u>684,972</u>
Commitments (Note 8)							
Related party transactions (Note 9)							
Subsequent event (Note 10)							
FUND BALANCES							
Unrestricted	<u>853,923</u>	<u>10,521,613</u>	<u>165,211</u>	<u>285,611</u>	<u>132,527</u>	<u>11,958,885</u>	<u>12,025,171</u>
	<u>\$ 1,049,259</u>	<u>\$ 10,521,613</u>	<u>\$ 165,211</u>	<u>\$ 285,611</u>	<u>\$ 132,527</u>	<u>\$ 12,154,221</u>	<u>\$ 12,710,143</u>

APPROVED BY THE BOARD:

Chairperson

Treasurer

FOOTHILLS ALLIANCE CHURCH
STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 2025

	General Funds	Building Funds	Missions Funds	Justice and Compassion Funds	Other Funds	Total 2025	Total 2024
REVENUE							
Activities, registrations and expense recoveries	\$ 159,170	\$ -	\$ -	\$ 75	\$ -	\$ 159,245	\$ 158,685
Amortization of leasehold allowance (Note 6)	-	27,256	-	-	-	27,256	27,256
Donations	2,442,498	267,817	372,799	138,744	85,675	3,307,533	3,330,862
Grants and subsidies	96,121	-	-	-	-	96,121	67,462
Interest	28,913	1,490	-	-	-	30,403	30,210
Lease and rental	<u>381,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>381,129</u>	<u>363,828</u>
	<u>3,107,831</u>	<u>296,563</u>	<u>372,799</u>	<u>138,819</u>	<u>85,675</u>	<u>4,001,687</u>	<u>3,978,303</u>
EXPENSES							
Amortization	-	490,088	-	-	-	490,088	484,154
Building repairs and maintenance	-	-	-	-	-	-	153,478
Computer supplies and support	102,452	-	-	-	-	102,452	81,040
Conferences and seminars	22,541	-	-	-	-	22,541	14,622
Designated funds disbursed	-	-	347,844	214,998	66,521	629,363	779,066
District operating budget	73,251	-	-	-	-	73,251	71,486
Equipment repairs and maintenance	38,062	-	-	-	-	38,062	20,697
Insurance, licenses and taxes	6,952	39,025	-	-	-	45,977	45,412
Interest and bank charges	42,047	17,091	-	-	-	59,138	88,605
Ministry (Schedule 1)	449,741	-	-	-	-	449,741	271,953
Rent	-	-	-	-	-	-	127,656
Office and sundry	51,868	-	-	-	-	51,868	52,250
Professional fees	14,502	-	-	-	-	14,502	18,091
Salaries, wages and benefits	1,924,418	-	-	-	-	1,924,418	1,879,143
Subcontractors	10,751	-	-	-	-	10,751	3,960
Utilities and telephone	<u>150,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,697</u>	<u>165,169</u>
	<u>2,887,282</u>	<u>546,204</u>	<u>347,844</u>	<u>214,998</u>	<u>66,521</u>	<u>4,062,849</u>	<u>4,256,782</u>
Excess (deficiency) of operating revenue over expenses	220,549	(249,641)	24,955	(76,179)	19,154	(61,162)	(278,479)
(Loss) on disposal of assets	-	(5,124)	-	-	-	(5,124)	-
Excess (deficiency) of revenue over expenses	<u>\$ 220,549</u>	<u>\$(254,765)</u>	<u>\$ 24,955</u>	<u>\$(76,179)</u>	<u>\$ 19,154</u>	<u>\$(66,286)</u>	<u>\$(278,479)</u>

FOOTHILLS ALLIANCE CHURCH
STATEMENT OF EXPENSES
(SCHEDULE 1)
YEAR ENDED JUNE 30, 2025

	<u>2025</u>	<u>2024</u>
MINISTRY EXPENSES		
Activities	\$ 205,795	\$ 178,797
Bad debt expense	26,871	-
Bibles and books	21,003	20,732
Child care supplies	37,993	29,289
Communications and subscriptions	9,041	3,065
Curriculum	4,223	7,231
Honorariums	7,507	11,661
Office supplies and sundry	19,198	14,884
Repair and maintenance	118,110	-
Vehicle rental	-	6,294
	\$ 449,741	\$ 271,953

FOOTHILLS ALLIANCE CHURCH
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025

	General Funds	Building Funds	(Note 11) Missions Funds	Justice and Compassion Funds	(Note 12) Other Funds	Total 2025	Total 2024
Balance, beginning of year	\$ 923,004	\$10,486,748	\$ 140,256	\$ 361,790	\$ 113,373	\$12,025,171	\$12,303,650
Excess (deficiency) of revenue over expenses	220,549	(254,765)	24,955	(76,179)	19,154	(66,286)	(278,479)
Interfund transfers	(289,630) ¹	<u>289,630</u> ¹	-	-	-	-	-
Balance, end of year	<u>\$ 853,923</u>	<u>\$10,521,613</u>	<u>\$ 165,211</u>	<u>\$ 285,611</u>	<u>\$ 132,527</u>	<u>\$11,958,885</u>	<u>\$12,025,171</u>

¹Consists of:

Transfer of ministry funds to building funds

\$ 289,630

FOOTHILLS ALLIANCE CHURCH
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025

	General Funds	Building Funds	Missions Funds	Justice and Compassion Funds	Other Funds	Total 2025	Total 2024
CASH FLOWS PROVIDED FROM (USED IN):							
OPERATING ACTIVITIES							
Excess (deficiency) of revenue over expenses	\$ 220,549	\$ (254,765)	\$ 24,955	\$ (76,179)	\$ 19,154	\$ (66,286)	\$ (278,479)
Items not affecting cash							
Amortization	-	490,088	-	-	-	490,088	484,154
Change in non-cash working capital accounts							
Accounts receivable	(15,481)	-	-	-	-	(15,481)	(10,723)
Goods and services tax recoverable	55,878	3,684	-	-	-	59,562	(21,331)
Loans receivables	5,417	-	-	-	-	5,417	(20,521)
Prepaid expenses	2,997	-	-	-	-	2,997	4,253
Accounts payable and accrued liabilities	(10,976)	-	-	-	-	(10,976)	(2,531)
Deferred revenue	(20,230)	-	-	-	-	(20,230)	20,960
Leasehold allowance	-	(27,256)	-	-	-	(27,256)	(27,256)
	<u>238,154</u>	<u>211,751</u>	<u>24,955</u>	<u>(76,179)</u>	<u>19,154</u>	<u>417,835</u>	<u>148,526</u>
FINANCING ACTIVITIES							
Long term debt repayment	-	(431,173)	-	-	-	(431,173)	(633,066)
INVESTING ACTIVITIES							
Purchase of capital assets	-	(76,057)	-	-	-	(76,057)	(150,990)
Internal fund transfers	(289,630)	289,630	-	-	-	-	-
	<u>(289,630)</u>	<u>213,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(76,057)</u>	<u>(150,990)</u>
Change in cash	(51,476)	(5,849)	24,955	(76,179)	19,154	(89,395)	(635,530)
Cash, beginning of year	<u>945,416</u>	<u>25,951</u>	<u>140,256</u>	<u>361,790</u>	<u>113,373</u>	<u>1,586,786</u>	<u>2,222,316</u>
Cash, end of year	<u>\$ 893,940</u>	<u>\$ 20,102</u>	<u>\$ 165,211</u>	<u>\$ 285,611</u>	<u>\$ 132,527</u>	<u>\$ 1,497,391</u>	<u>\$ 1,586,786</u>
Supplemental information:							
Cash interest paid						<u>\$ 15,878</u>	<u>\$ 50,935</u>

**FOOTHILLS ALLIANCE CHURCH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

1. PURPOSE OF THE ORGANIZATION

The Foothills Alliance Church of the Christian and Missionary Alliance in Canada is a charitable organization whose purpose is to glorify God by changing the world that is into the world that ought to be by creating pathways for people to know God, love others, reach our neighbours and serve the world. The Church is a not-for-profit organization and is registered as a charitable organization under the Income Tax Act. As a result, it is exempted from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) applied on a going concern basis.

Use of Estimates

The preparation of financial statements in accordance 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, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they became known.

Significant estimates in these financial statements include amortization of capital assets, the ability to collect on accounts receivable, prepaids, amortization of leaseholds and accrued payables.

Financial instruments

The Church's financial instruments consist of cash, accounts receivable, Goods and service tax recoverable, loans receivable, accounts payable and accrued liabilities, and long term debt. Unless otherwise indicated, it is management's opinion that the Church is not exposed to significant interest rate and credit risks arising from these financial instruments. The exchange values of these financial instruments approximate their carrying value, unless otherwise noted.

Cash and cash equivalents

Cash and cash equivalents consist primarily of bank accounts and deposits with an original maturity date of purchase less than a year. Because of the short term maturity of these investments, their carrying amount approximates exchange value.

Capital assets

Capital assets are recorded at cost. Capital assets with an individual cost less than \$3,000 are expensed in the year of acquisition. Amortization on capital assets is recorded on the following basis:

Building	40 years straight line
Automobile	15 years straight line
Landscaping	15 years straight line
Parking lot	15 years straight line
Furniture and equipment	5 years straight line
Computer hardware	3 years straight line
Computer software and website	2 years straight line

Amortization begins in the year after the acquisition of the capital assets.

The Church regularly reviews its capital assets to eliminate obsolete items and determine any impairment.

**FOOTHILLS ALLIANCE CHURCH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The Ministry Fund accounts for the general operation and administrative activities of the Church. The fund is unrestricted.

The Building Fund accounts for the net assets of the Church.

The Missions Fund accounts for the missions, Camp Chamisall, New Ventures, Global Advance, and Foothills Family Mission activities of the Church.

The Justice and Compassion Fund accounts for the compassion and care activities of the Church.

The Other Fund accounts for the C&MA and church plant activities of the Church.

Contributed services

As with most charitable organizations, significant donations of time and services are received during each year. Due to the difficulties in establishing dollar values for these services, no attempt has been made to include a value for the services in the records of the Church.

3. LOANS RECEIVABLE

	<u>2025</u>	<u>2024</u>
Loans to pastors under their contract of employment are non-interest bearing, secured by promissory notes and are due and payable upon termination of employment or sale of the personal residences of the pastors.	\$ 52,603	\$ 58,020
Amount payable within one year	(7,500)	(4,479)
	<u>\$ 45,103</u>	<u>\$ 53,541</u>

4. CAPITAL ASSETS

	<u>2025 Cost</u>	<u>Accumulated Amortization</u>	<u>Net book value</u>
Land	\$ 1,095,353	\$ -	\$ 1,095,353
Building	16,567,374	7,486,340	9,081,034
Landscaping	87,370	84,209	3,161
Parking lot	469,199	363,963	105,236
Furniture and equipment	1,473,967	1,294,588	179,379
Computer hardware	354,627	317,279	37,348
Computer software and website	<u>50,863</u>	<u>50,863</u>	-
	<u>\$20,098,753</u>	<u>\$ 9,597,242</u>	<u>\$10,501,511</u>

FOOTHILLS ALLIANCE CHURCH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

4. CAPITAL ASSETS (continued)

	<u>2024 Cost</u>	<u>Accumulated Amortization</u>	<u>Net book value</u>
Land	\$ 1,095,353	\$ -	\$ 1,095,353
Building	16,567,374	7,072,157	9,495,217
Automobile	7,688	2,564	5,124
Landscaping	87,370	78,382	8,988
Parking lot	469,199	347,837	121,362
Furniture and equipment	1,426,634	1,247,288	179,346
Computer hardware	320,780	310,628	10,152
Computer software and website	<u>50,863</u>	<u>50,863</u>	-
	<u><u>\$20,025,261</u></u>	<u><u>\$ 9,109,719</u></u>	<u><u>\$10,915,542</u></u>

Consistent with the requirements of the Constitution of the Christian and Missionary Alliance in Canada Western District ("The District"), title to the lands and buildings purchased and paid for by Foothills Alliance Church is registered in the name of the District. While ownership of these assets rests with the District, the cost and related amortization have been recorded in the Church's financial statements rather than the District's as the Church uses these assets for its operations and is responsible for the management and maintenance of these assets. This treatment is consistent with that adopted by the District and substantially all other congregations who are member of the District.

5. DEFERRED REVENUE

	<u>2025</u>	<u>2024</u>
Facility deposits	\$ 7,455	\$ 30,523
Summer camp deposits	<u>53,500</u>	<u>50,664</u>
	<u><u>\$ 60,955</u></u>	<u><u>\$ 81,187</u></u>

6. LEASEHOLD ALLOWANCE

During fiscal year 2020 leasehold improvements were completed at leased premises at Maple Leaf Professional Centre and Glacier Ridge Church received a cash allowance from the property owner in the amount of \$136,281. This tenant allowance will be amortized over the lease term of 5 years. Amortization of the tenant allowance of \$27,256 was amortized to revenue for fiscal 2025.

FOOTHILLS ALLIANCE CHURCH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

7. LONG TERM DEBT

	<u>2025</u>	<u>2024</u>
The Western Canadian District of the Christian and Missionary Alliance loan repayable at \$42,000 per month including interest at prime plus 0.5% per annum. Mortgage was fully repaid during fiscal 2025.	\$ <u> - </u>	\$ <u> 431,172 </u>
Amount payable within one year	\$ <u> - </u>	\$ <u> 431,172 </u>
	\$ <u> - </u>	\$ <u> - </u>

8. COMMITMENTS

Foothills Alliance Church has entered into a 5 year lease agreement for lease of rental space commencing December 1, 2019. The lease consists of monthly rental payments of \$7,383 for the first two years, \$8,306 for year three and \$9,228 for the final two years. The Church is also responsible for paying additional rent as requested by the landlord, covering the landlord's operating expenses, utility costs, and the property tax not exempted by City of Calgary. These costs fluctuate. During the reporting year, the Church paid a total of \$26,132.14 including GST as the additional rent.

9. RELATED PARTY TRANSACTIONS

During the year, Foothills Alliance Church received from Foothills Alliance Kindergarten Society (which includes the preschool operations) cost recovery related to shared infrastructure and rental revenue based on a Facilities and Services Agreement totaling \$37,000 (2024 - \$34,000). Foothills Alliance Kindergarten Society is a ministering agency of Foothills Alliance Church. As at June 30, 2025, there are no outstanding related party receivables or payables.

During the year, Foothills Alliance Church employed key employees that were either a member of the Board of Elders or related to a member of the Board of Elders. For privacy concerns, the Church has elected not to disclose remuneration amounts.

All transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. SUBSEQUENT EVENTS

Subsequent to the year end, the Church had sustained fire and water damage. Repair efforts have begun and the premise remained closed until the repair work is completed. The facility is expected to reopen for general usage by October 2025.

FOOTHILLS ALLIANCE CHURCH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

11. MISSIONS FUND BALANCE

Missions fund consists of:

	<u>2025</u>	<u>2024</u>
Camp Chamisall	\$ 1,384	\$ 1,384
FFIW	96,242	116,099
Missions	46,460	11,979
New Ventures	11,830	1,499
Other Special Designated	<u>9,295</u>	<u>9,295</u>
	<u>\$ 165,211</u>	<u>\$ 113,923</u>

12. OTHER FUND BALANCE

Other fund consists of:

	<u>2025</u>	<u>2024</u>
Church Plant	\$(35,337)	\$(32,129)
Ministrial	138,300	138,300
Other Special Designated	<u>29,564</u>	<u>7,752</u>
	<u>\$ 132,527</u>	<u>\$ 113,923</u>

13. FINANCIAL RISK MANAGEMENT

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Fluctuation in market rates of interest on Western Canadian District of the Christian and Missionary Alliance loan will have a significant impact on the Church's cash flows and results of operations. The Church manages its liquidity risk by monitoring interest rates and reducing loan balances. There has been no change to interest risk exposure during the year.