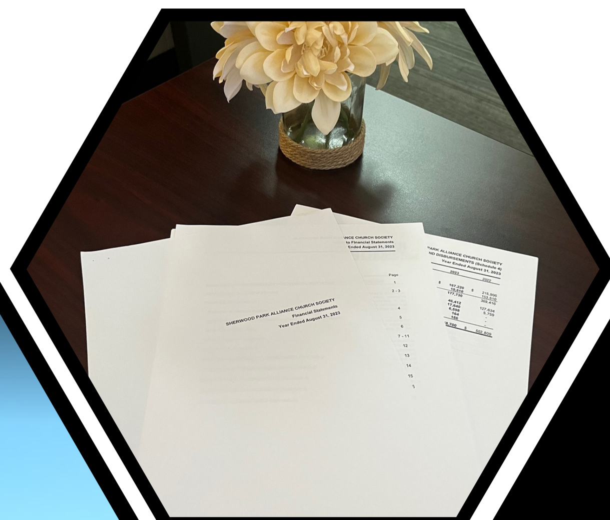
SHERWOOD PARK
ALLIANCE CHURCH

2025
Financial Statements

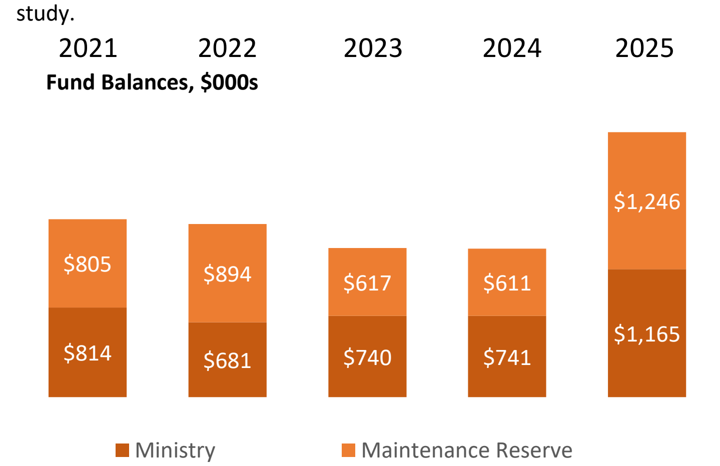


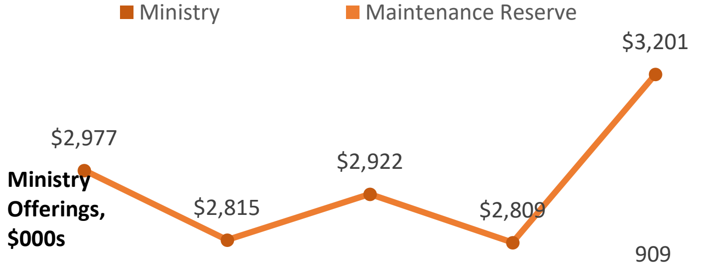
SHERWOOD PARK ALLIANCE CHURCH

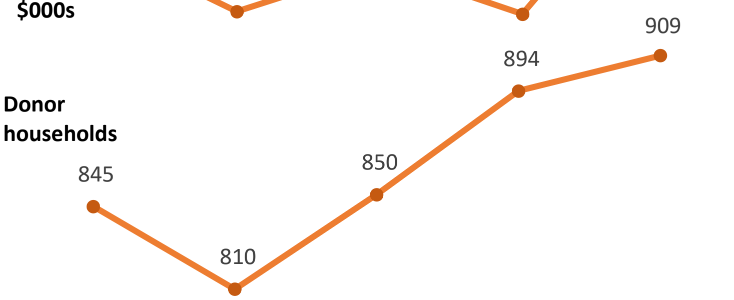
FINANCIAL HIGHLIGHTS FOR YEAR ENDING AUG 31, 2025

CHURCH OPERATIONS

Each year Ministry funds are contributed to the Maintenance Reserve Fund to support major maintenance projects. This year the boiler replacement project at Clover Bar ($118,000) and roof repairs at Elementary ($77,000) were completed. A few smaller projects included hot water tanks, sprinkler system repairs, and dormer repairs. Two of the larger projects that were approved for this year (Auditorium block repair and South Gym roof) were postponed pending further review and study.

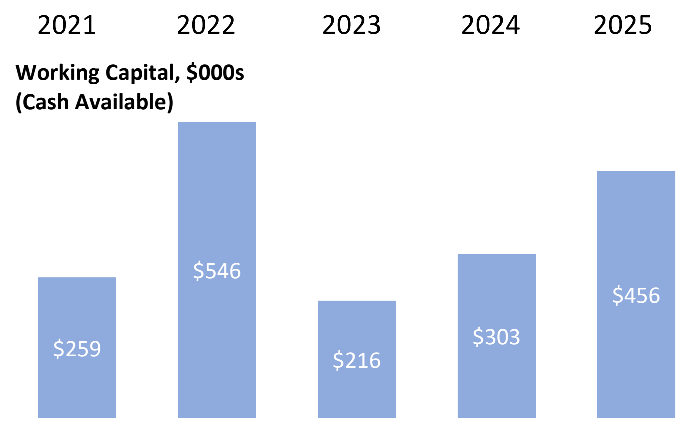


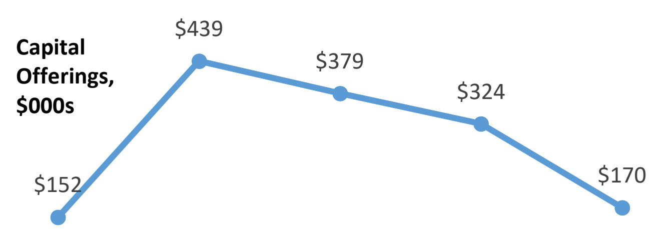


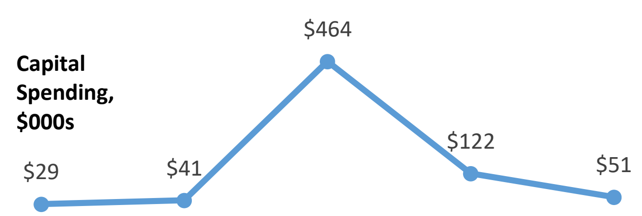


CAPITAL

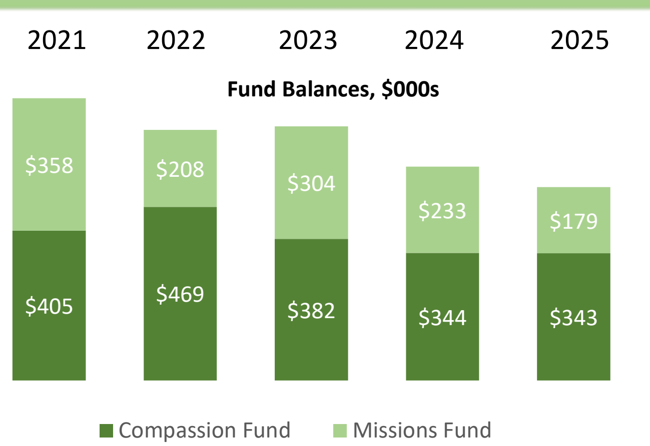
Capital spend this year included computer upgrades for staff, office furniture, climbing equipment for Kids Ministry, and network upgrades







JUSTICE AND COMPASSION



Thanks to your generosity—in addition to walk-in, counselling assistance, and We Care—this year the **Compassion Fund** made significant contributions to:

- Heartland Housing - $30,000
- Mustard Seed - $25,000
- Youth Rise - $15,000
- Hope Mission - $10,000

The **Missions Fund** provided support to:

- Global Advance - $125,000
- Jaffray Project - $56,000
- Caleb and Amie Poole (Youth With A Mission) - $32,500
- For Freedom International - $20,000

SHERWOOD PARK ALLIANCE CHURCH SOCIETY

Financial Statements

Year Ended August 31, 2025

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Sherwood Park Alliance Church Society have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These 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 Sherwood Park Alliance Church Society's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors 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 Treasurer. The Treasurer is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Treasurer reports to the Board of Directors prior to its approval of the financial statements. The Board reviews, for approval by the members, the engagement or re-appointment of the external auditors.

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

X

Senior Associate Pastor

X S Janzen

Accountant

Sherwood Park, AB
October 21, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Sherwood Park Alliance Church Society

Qualified Opinion

We have audited the financial statements of Sherwood Park Alliance Church Society (the organization), which comprise the statement of financial position as at August 31, 2025, and the statements of revenues and expenditures, changes in net assets 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 effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at August 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from offerings, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended August 31, 2025 was modified accordingly because of the possible effects of this limitation of scope.

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 organization in accordance with 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 qualified audit opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 3 to the financial statements, which describes the restatement of certain comparative information. The organization determined that a set of transactions had been omitted from the prior year records. The comparative information has been restated to correct this error. Our opinion is not modified in respect of this matter.

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 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.

(continues)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Isaman Chopek LLP

Sherwood Park, Alberta
October 21, 2025

Isaman Chopek LLP
Chartered Professional Accountants

SHERWOOD PARK ALLIANCE CHURCH SOCIETY

Statement of Financial Position

August 31, 2025

	Ministry Fund 2025	Compassion Fund 2025	Maintenance Reserve 2025	Capital Fund 2025	Missions Fund 2025	**Total 2025**	Total 2024 *(Restated)*
ASSETS							
CURRENT							
Cash	$ 1,075,153	$ 207,130	$ 997,464	$ 354,592	$ 45,621	**$ 2,679,960**	$ 1,732,769
Term deposits *(Note 4)*	305,744	121,897	244,849	101,970	141,958	**916,418**	850,814
Accounts receivable	23,680	-	-	-	-	**23,680**	237,399
Goods and services tax recoverable	21,149	15	1,041	251	-	**22,456**	47,714
Prepaid expenses *(Note 5)*	135,963	10,250	-	-	-	**146,213**	129,042
	1,561,689	339,292	1,243,354	456,813	187,579	**3,788,727**	2,997,738
TANGIBLE CAPITAL ASSETS *(Note 6)*	-	-	-	868,205	-	**868,205**	1,144,516
INTERFUND RECEIVABLES	-	11,744	30,201	2,772	19,346	**64,063**	249,970
	$ 1,561,689	$ 351,036	$ 1,273,555	$ 1,327,790	$ 206,925	**$ 4,720,995**	$ 4,392,224
LIABILITIES AND NET ASSETS							
CURRENT							
Accounts payable	$ 284,649	$ 7,702	$ 27,430	$ 1,133	$ 15,537	**$ 336,451**	$ 669,506
Employee deductions payable	30,011	-	-	-	-	**30,011**	36,747
Deferred income *(Note 7)*	17,913	-	-	-	12,597	**30,510**	36,291
	332,573	7,702	27,430	1,133	28,134	**396,972**	742,544
INTERFUND PAYABLES	64,063	-	-	-	-	**64,063**	249,970
	396,636	7,702	27,430	1,133	28,134	**461,035**	992,514
NET ASSETS	1,165,053	343,334	1,246,125	1,326,657	178,791	**4,259,960**	3,399,710
	$ 1,561,689	$ 351,036	$ 1,273,555	$ 1,327,790	$ 206,925	**$ 4,720,995**	$ 4,392,224

ON BEHALF OF THE BOARD

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Annemarie Elzinga
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Director

Signed by:
Grace Albers
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Director

See notes to financial statements

	Ministry Fund 2025	Compassion Fund 2025	Maintenance Reserve 2025	Capital Fund 2025	Missions Fund 2025	**Total 2025**	Total 2024 *(Restated)*
REVENUES							
Offerings	$ 3,201,369	$ 176,393	$ -	$ 169,855	$ 365,955	**$ 3,913,572**	$ 3,714,378
Interest income	42,988	11,987	27,422	13,183	9,721	**105,301**	153,411
Gains on disposal of assets	-	-	-	-	-	**-**	1,790
	3,244,357	188,380	27,422	183,038	375,676	**4,018,873**	3,869,579
OTHER REVENUES (Schedule 1)	3,924,950	-	-	-	-	**3,924,950**	3,633,980
EXPENSES							
Salaries and benefits (Schedule 2)	1,964,602	-	-	-	-	**1,964,602**	2,102,888
Facility operating (Schedule 3)	1,419,641	-	-	-	-	**1,419,641**	1,282,344
Facility rental	1,409,756	-	-	-	-	**1,409,756**	1,176,860
Administrative (Schedule 5)	457,611	-	-	-	-	**457,611**	391,384
Missions (Schedule 4)	-	-	-	-	430,238	**430,238**	400,467
Capital contributions	396,450	-	-	-	-	**396,450**	396,000
MRF - repairs and maintenance	-	-	353,269	-	-	**353,269**	1,225,295
Amortization	-	-	-	326,842	-	**326,842**	351,886
Compassion costs	-	189,006	-	-	-	**189,006**	281,762
Ministerial - net of recoveries (Schedule 6)	136,150	-	-	-	-	**136,150**	120,800
Interest and bank charges	-	5	3	-	-	**8**	3
	5,784,210	189,011	353,272	326,842	430,238	**7,083,573**	7,729,689
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FROM OPERATIONS	1,385,097	(631)	(325,850)	(143,804)	(54,562)	**860,250**	(226,130)
INTERFUND TRANSFERS *(Note 8)*	(960,826)	-	960,826	-	-	**-**	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 424,271	$ (631)	$ 634,976	$ (143,804)	$ (54,562)	**$ 860,250**	$ (226,130)

See notes to financial statements

	Ministry Fund	Compassion Fund	Maintenance Reserve	Capital Fund	Missions Fund	**2025**	2024 *(Restated)*
NET ASSETS - BEGINNING OF YEAR	$ 740,782	$ 343,965	$ 611,149	$ 1,470,461	$ 233,353	**$ 3,399,710**	$ 3,625,839
Excess (deficiency) of revenues over expenditures	424,271	(631)	634,976	(143,804)	(54,562)	**860,250**	(226,129)
NET ASSETS - END OF YEAR	$ 1,165,053	$ 343,334	$ 1,246,125	$ 1,326,657	$ 178,791	**$ 4,259,960**	$ 3,399,710

See notes to financial statements

SHERWOOD PARK ALLIANCE CHURCH SOCIETY
Statement of Cash Flows
Year Ended August 31, 2025

	2025	2024 *(Restated)*
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	$ 860,250	$ (226,129)
Items not affecting cash:		
Amortization of tangible capital assets	326,842	351,886
Gain on disposal of tangible capital assets	-	(1,791)
	1,187,092	123,966
Changes in non-cash working capital:		
Accounts receivable	213,719	(142,559)
Accounts payable	(333,059)	8,028
Deferred income	(5,782)	7,357
Prepaid expenses	(17,171)	(40,117)
Goods and services tax payable	25,258	(14,875)
Employee deductions payable	(6,736)	18,809
	(123,771)	(163,357)
Cash flow from (used by) operating activities	1,063,321	(39,391)
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(50,529)	(165,585)
Proceeds on disposal of tangible capital assets	-	4,698
Cash flow used by investing activities	(50,529)	(160,887)
INCREASE (DECREASE) IN CASH FLOW	1,012,792	(200,278)
Cash - beginning of year	2,583,586	2,783,864
CASH - END OF YEAR	$ 3,596,378	$ 2,583,586

See notes to financial statements

1. PURPOSE OF THE ORGANIZATION

Sherwood Park Alliance Church Society (the "organization") is a not-for-profit organization of Alberta. The organization is a registered charity and is exempt from the payment of income taxes under the Income Tax Act.

The organization's purpose is to promote and advance the teachings of the Christian faith.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund accounting

These financial statements have been prepared on an accrual basis using the restricted fund method of accounting for offerings. Fund accounting is the procedure whereby resources received and the subsequent use of those resources are classified for accounting and reporting purposes into funds which are in accordance with the activities or objectives specified by the source of the resource. The following funds are maintained:

The **ministry fund** accounts for the Church's ministerial and operational activities, and reports all offerings not designated to any other fund.

The **compassion fund** provides special assistance to individuals in need.

The **maintenance reserve fund** includes funds set aside for major maintenance requirements.

The **capital fund** reports the assets, liabilities, offerings and expenditures relating to the Church's property and equipment and related liabilities.

The **missions fund** accounts for offerings and other revenue designated for missions.

Restricted contributions are recognized as revenue of the applicable designated fund, or the ministries fund if undesignated, in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue of the designated fund in the year in which the related expenses are incurred.

Net assets of the ministries fund are unrestricted. Net assets of all the other funds are internally restricted for the corresponding purpose of that fund as outlined above.

Cash

Cash (bank balances) and short term investments (term deposits less than 3 months) are amounts on deposit and invested according to the Church's investment policy.

Term deposits

Term deposits consist primarily of Guaranteed Investment Certificates with original maturities at a date of purchase beyond three months and less than twelve months. They are carried at amortized cost.

Prepaid expenses

Prepaid expenses consist of payments made in advance for goods or services to be consumed in future periods. These amounts are recorded as assets at the time of payment and are expensed systematically over the periods to which they relate.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible capital assets

Tangible capital assets are stated at cost if purchased or at fair value at the date of acquisition if received by donation. Depreciation has been provided annually on a straight-line basis at the following rates:

Furniture and equipment	10 to 20%
Computer software	20%
Computer equipment	25%
Computer software	20%
Playground equipment and rink	10%

Depreciation is recorded in the year the asset is put in use, through to the date of disposal. One half of annual amortization is taken in the year of acquisition. No amortization is taken in the year of disposal.

Assets under construction are not depreciated until put in use.
The Church regularly reviews its property and equipment to eliminate obsolete items.

Revenue recognition

Offerings are recognized as revenue of the particular fund in the year in which the contribution is received, with a receipt issued for the donor's tax deductible contribution. Offerings received in excess of expenditures related to specific missions are deferred and recorded as a recovery towards the next missions, or are used for future outreach initiatives.

Interest income is recognized on an accrual basis, using the effective interest method, when collection is reasonably assured.

Revovery for management fee, school facilities, capital and operating contributions are recognized as revenue as they accrue during the year.

Fundraising receipts are recorded as revenue when received.

Pledges are not recognized as revenue until the funds are received.

Management fees are recognized when the services are provided and collection is reasonably assured.

Contributed services

Volunteers contribute numerous hours to assist the Society in carrying out its ministerial and administrative activities. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements, nor are receipts issued.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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. Areas requiring the use of estimates include: the useful life and estimated amortization of tangible capital assets. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. If events or circumstances reverse in a future period, an impairment loss will be reversed to the extent of the impairment, not exceeding the initial carrying value.

3. PRIOR PERIOD RESTATEMENT

During the year, the organization determined that certain fund contributions had been recorded incorrectly in the prior year. As a result, an automobile was added to the capital asset register, and related amortization expense was recorded.

The error has been corrected retrospectively, and the comparative information has been restated accordingly. The impact of the correction on the prior year's financial statements is summarized below.

	As previously reported	Adjustment	**As restated**
Tangible capital assets	$ 1,103,539	$ 40,977	**$ 1,144,516**
Deferred income	47,788	(11,497)	**36,291**
Amortization	349,729	2,157	**351,886**
Missions costs	457,258	(56,791)	**400,467**
Compassion costs	279,604	2,158	**281,762**

4. TERM DEPOSITS

Short term deposits consists of Guaranteed Investment Certificates (GICs) with maturity dates within the next twelve months.

	2025	2024
Ministry Fund annual GIC earning interest at 3.26%, maturing March 27, 2026.	**$ 100,000**	$ -
Ministry Fund annual GIC earning interest at 3.28%, maturing March 27, 2026.	**100,000**	-
Ministry Fund Savings annual GIC earning interest at 3.45%, maturing June 19, 2026.	**100,000**	-
Accrued interest receivable	**5,744**	13,776

(continues)

4. TERM DEPOSITS (*continued)*

	2025	2024
Ministry Fund annual GIC earning interest at 5.65%, maturing September 18, 2024.	**-**	200,000
Ministry Fund term deposits	**305,744**	213,776
Compassion Fund annual GIC earning interest at 3.24%, maturing March 27, 2026.	**60,000**	-
Compassion Fund annual GIC earning interest at 3.37%, maturing June 19, 2026.	**60,000**	-
Accrued interest receivable	**1,897**	8,935
Compassion Fund annual GIC earning interest at 5.65%, maturing September 18, 2024.	**-**	150,000
Compassion Fund term deposits	**121,897**	158,935
Maintenance Reserve Fund annual GIC earning interest at 3.24%, maturing March 27, 2026.	**80,000**	-
Maintenance Reserve Fund annual GIC earning interest at 3.43%, maturing June 19, 2026.	**80,000**	-
Maintenance Reserve Fund annual GIC earning interest at 3.44%, maturing June 19, 2026.	**80,000**	-
Accrued interest receivable	**4,849**	13,218
Maintenance Reserve Fund annual GIC earning interest at 5.65%, maturing September 18, 2024.	**-**	200,000
Maintenance Fund term deposits	**244,849**	213,218
Capital Fund annual GIC earning interest at 3.24%, maturing March 27, 2026.	**50,000**	-
Capital Fund annual GIC earning interest at 3.38%, maturing June 19, 2026.	**50,000**	-
Capital Fund annual GIC earning interest at 5.65%, maturing September 18, 2024.	**-**	50,000
Accrued interest receivable	**1,970**	3,803
Capital Fund term deposits	**101,970**	53,803
Missions Fund annual GIC earning interest at 3.24%, maturing March 27, 2026.	**70,000**	-
Missions Fund annual GIC earning interest at 3.42%, maturing June 19, 2026.	**70,000**	-
Missions Fund annual GIC earning interest at 5.65%, maturing September 18, 2024.	**-**	200,000
Accrued interest receivable	**1,958**	11,082
Missions Fund term deposits	**141,958**	211,082
	$ 916,418	$ 850,814

5. PREPAID EXPENSES

	2025	2024
Prepaid insurance	$ 76,135	$ 71,065
Prepaid expenses - Ministry	46,803	39,709
Prepaid supplies	11,984	11,984
Prepaid expenses - Compassion	10,250	5,125
Other prepaid expenses	1,041	1,160
Total prepaids	$ 146,213	$ 129,043

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Leasehold improvements	$ 1,603,193	$ 1,200,373	$ 402,820	$ 567,171
Furniture and equipment	653,113	342,057	311,056	415,740
Computer equipment	99,692	44,300	55,392	40,459
Motor vehicles	53,134	9,970	43,164	48,477
Playground equipment and rink	40,468	12,430	28,038	32,085
Computer software	60,848	33,113	27,735	40,584
	$ 2,510,448	$ 1,642,243	$ 868,205	$ 1,144,516

7. DEFERRED INCOME

Deferred income consists of funds received in advance for the Senior High Retreat to be held in September 2025, as well as the Serbia detour. Revenue will be recognized as the related expenditures are incurred.

8. INTERFUND TRANSFERS

Funds totalling $960,826 (2024 - $1,175,075) were transferred from the ministry fund and capital fund to the maintenance reserve fund. These transfers provide funds for current and future major maintenance projects.

9. NET ASSETS

	2025	2024
Restricted funds		
Capital	$ 1,326,658	$ 1,470,461
Maintenance reserve	1,246,126	611,149
Compassion	343,335	343,965
Missions	178,790	233,352
	3,094,909	2,658,927
Unrestricted funds		
Ministry	1,165,053	740,783
	$ 4,259,962	$ 3,399,710

10. RELATED PARTY TRANSACTIONS

The following is a summary of the organization's related party transactions with Sherwood Park Alliance Church Property Company (SPACPC) and Strathcona Christian Academy Society (SCA):

	2025	2024
SPACPC		
Operating contribution revenue	**$ 941,536**	$ 709,041
Management fee revenue	**20,000**	20,000
Wage recovery	**6,000**	4,980
Capital contributions expense	**(396,450)**	(396,000)
Facility rental expense	**(1,409,756)**	(1,176,860)
Donation	**-**	300,000
	(838,670)	(538,839)
SCA		
Operating contribution revenue	**$ 1,052,219**	$ 929,310
Facility capital contribution revenue	**396,450**	396,000
Contracts, salaries and benefits expense - administration	**75,296**	77,045
Management fee revenue	**20,000**	20,000
Computer services	**1,620**	1,620
Administration	**2,187**	786
Donations	**(15,500)**	(16,500)
Fee assistance	**-**	-
	1,532,272	1,408,261
	$ 693,602	$ 869,422

The shareholders of SPACPC are members of the Society.

The SCA Society is responsible for the Christian component of the public school alternative program. The SCA Society is related by its membership which has the same Board of Elders as the Church.

Accounts receivable includes $10,190 (2024 - $4,651) due from SCA Society.

These transactions have been recorded at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. FINANCIAL INSTRUMENTS

The Church is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of August 31, 2025. The Board of Elders has overall responsibility for the establishment and oversight of the Society's risk management framework.

Credit risk

The organization is exposed to risk on facility recovery and capital contributions revenues, these revenues being from two entities. The Society has not incurred any significant bad debts in the past three years.

(continues)

11. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

Liquidity risk is the risk that Society will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the Society not being able to liquidate assets in a timely manner.

The Society meets its liquidity requirements by preparing and monitoring cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted to cash.

Interest rate risk

Interest rate risk is the risk that the fair value of financial instruments will fluctuate due to changes in market interest rates is managed through compliance with the Church's investment policy. Fluctuations in interest rates do not have a significant effect on cash, term deposits or the loan investment program of the Church.

It has been determined that the Organization is not exposed to significant credit, market, foreign exchange, or price risk.

12. CONTINGENCIES AND COMMITMENTS

The church has signed a corporate guarantee in the amount of $12,050,000 in favour of the Bank of Montreal for debt in Sherwood Park Alliance Church Property Company (SPACPC). This guarantee relates to the construction for the Campus expansion as recorded by SPACPC. The loan balance at August 31, 2025, was $5,170,333.

On October 4, 2006, the Society signed a 25-year lease agreement with SPACPC with respect to existing and new property. The annual base rent for the year ending August 31, 2025 is approximately $657,802 plus estimated operating costs of $751,954, the capital portion of student fees charged by Strathcona Christian Academy Society and a small amount to reimburse SPACPC for administrative costs. The capital portion of student fees will be adjusted annually. The Society is responsible for all operating costs. The Society has a sub-lease with Elk Island Public School District on similar terms.

The Society will recover a portion of the costs through commitments from Strathcona Christian Academy Society totalling approximately $793,225 in the upcoming year.

The Society has entered into the following contracts:

a) Photocopier rental agreement, rental payments of approximately $3,124 per quarter, expiring in April 2029.
b) Postage machine rental agreement, rental payments of approximately $200 per quarter, expiring in January 2029.
c) Elevator maintenance agreement, payments of approximately $426 per month, expiring in August 2026.
d) Custodial agreement, payments of approximately $37,635 per month, expiring in July 2028.
e) Dispenser lease agreement, payments of approximately $1,500 per month for refills, expiring June 2027.

OFFERINGS (Schedule 1)

Year Ended August 31, 2025

	2025	2024
OTHER REVENUES		
Operating contribution	**$ 1,993,755**	$ 1,938,351
Recovery for school facilities	**1,409,756**	1,176,860
Facility capital contribution	**396,450**	396,000
Expense recoveries	**84,985**	76,769
Management fees	**40,000**	46,000
	$ 3,924,946	$ 3,633,980

See notes to financial statements

	2025	2024
SALARIES AND BENEFITS		
Pastors and ministerial assistants	**$ 1,256,181**	$ 1,345,261
Salaries and wages - office	**235,542**	211,660
Salaries and wages - facility	**213,113**	248,944
SCA Society and Tree House	**133,892**	139,477
	1,838,728	1,945,342
Employee benefits	**251,580**	247,522
Alliance retirement fund	**79,014**	81,451
	330,594	328,973
Recoveries	**(204,720)**	(171,427)
SALARIES AND BENEFITS EXPENDITURES	**$ 1,964,602**	$ 2,102,888

See notes to financial statements

	2025	2024
FACILITY OPERATING - MINISTRY FUND		
Janitorial and supplies	**$ 499,980**	$ 495,523
Light and power	**214,791**	197,030
Insurance	**113,903**	96,502
Heat	**112,059**	121,772
Repairs and maintenance - grounds	**103,553**	112,138
Repairs and maintenance - building	**74,612**	53,531
Repairs and maintenance - mechanical	**64,128**	49,620
Waste removal	**48,458**	36,299
Contract staffing	**41,491**	(3,404)
Repairs and maintenance - equipment	**29,963**	6,454
Repairs and maintenance - fire and elevator	**27,067**	24,033
Repairs and Maintenance - Service calls	**26,468**	11,798
Water	**23,970**	26,070
Repairs and maintenance - electrical	**21,317**	24,217
Facility use	**20,917**	17,608
Car expense reimbursement	**6,614**	5,214
Communications	**2,564**	4,935
Safet Supplies & Training	**2,518**	2,757
Miscellaneous	**170**	248
	1,434,543	1,282,345
Recoveries	**(14,903)**	(2,028)
FACILITY OPERATING EXPENDITURES	**$ 1,419,640**	$ 1,280,317

See notes to financial statements

SHERWOOD PARK ALLIANCE CHURCH SOCIETY
MISSIONS FUND DISBURSEMENTS (Schedule 4)
Year Ended August 31, 2025

	2025	2024
Christian and Missionary Alliance		
Global Advance Fund	$ 270,363	$ 226,804
Missions - Freedom International	20,000	20,000
Specialized ministries	8,710	9,310
Missions - Jaffray Project	-	100,000
	299,073	356,114
Other home missions	90,111	24,110
Other foreign missions	32,720	20,240
Outreach	8,331	-
Administrative	3	3
MISSIONS FUND DISBURSEMENTS	$ 430,238	$ 400,467

See notes to financial statements

	2025	2024
ADMINISTRATIVE - MINISTRY FUND		
District operating fee - C & MA	**$ 94,112**	$ 82,539
Contract and consulting	**90,034**	116,381
Recruitment and moving	**70,566**	683
Bank charges	**60,143**	59,587
Computer services	**46,208**	43,191
Telephone	**31,487**	30,881
Professional fees	**29,656**	29,497
Photocopier lease and printing	**29,035**	27,978
Expense Allowance	**7,661**	-
Repairs & maintenance - audio visual	**2,385**	6,350
Office	**1,732**	2,538
Insurance	**1,350**	-
Debt forgiveness (expense)	**1,330**	-
Miscellaneous	**531**	259
Communications	**117**	-
Gifts	**12**	12
	466,359	399,896
Recoveries	**(8,748)**	(6,472)
ADMINISTRATIVE EXPENDITURES	**$ 457,611**	$ 393,424

See notes to financial statements

	2025	2024
MINISTERIAL		
Special events	**$ 58,806**	$ 37,687
Supplies and materials	**49,252**	51,120
Activities	**35,922**	31,590
Retreats	**34,989**	30,586
Expense allowance	**16,085**	17,030
Contract and consulting	**23,072**	48,276
Conference and retreats	**20,514**	21,110
Dues and fees	**17,700**	12,991
Curriculum and literature	**12,022**	10,976
Printing	**8,740**	4,495
Communications	**8,542**	10,305
Gifts	**8,070**	7,859
Professional development	**7,613**	5,247
Lay leader training	**6,373**	4,113
Travel transportation	**5,903**	4,245
Receptions and dinners	**5,309**	5,551
Repairs and maintenance - equipment	**4,660**	5,560
Education	**4,072**	1,239
Miscellaneous	**3,250**	2,230
Outreach	**2,972**	7,394
Honorariums	**2,750**	2,200
Meetings	**1,222**	825
Car expense reimbursement	**1,008**	2,037
Advertising	**1,005**	1,197
MINISTERIAL - SUBTOTAL	**339,851**	325,863
Tree House registration fees	**(51,422)**	(56,162)
Ministry recoveries	**(152,279)**	(148,914)
MINISTERIAL EXPENDITURES - NET OF RECOVERIES	**$ 136,150**	$ 120,787

See notes to financial statements

STRATHCONA CHRISTIAN ACADEMY

Financial Statements

Year Ended August 31, 2024

For Informational Purposes only
Complete Financial Statements with notes
available upon request

	Total 2025	Total 2024	Operating Fund 2025	Operating Fund 2024	Endowment Fund 2025	Endowment Fund 2024
ASSETS						
CURRENT						
Cash *(Note 4)*	$ 635,239	$ 504,400	$ 635,239	$ 504,400	$ -	$ -
Accounts receivable	4,884	38,896	4,884	38,896	-	-
Prepaid expenses	37,411	43,562	37,411	43,562	-	-
Interfund balances	14,384	17,784	-	-	14,384	17,784
Goods and services tax recoverable	898	1,507	898	1,507	-	-
	$ 692,816	$ 606,149	$ 678,432	$ 588,365	$ 14,384	$ 17,784
LIABILITIES						
CURRENT						
Accounts payable *(Note 5)*	$ 47,550	$ 27,486	$ 47,551	$ 26,486	$ -	$ 1,000
Deferred income	158,681	129,116	158,681	129,116	-	-
Interfund balances	14,384	17,784	14,384	17,784	-	-
	220,615	174,386	220,616	173,386	-	1,000
NET ASSETS						
Net assets	472,201	431,763	457,816	414,979	14,384	16,784
	$ 692,816	$ 606,149	$ 678,432	$ 588,365	$ 14,384	$ 17,784

ON BEHALF OF THE BOARD

X ______________________ *Director*

X ______________________ *Director*

See notes to financial statements

	Total 2025	Total 2024	Operating Fund 2025	Operating Fund 2024	Endowment Fund 2025	Endowment Fund 2024
REVENUES						
Society fees and registration	$ 2,005,649	$ 1,872,400	$ 2,005,649	$ 1,872,400	$ -	$ -
Donations - general	28,750	19,149	26,750	15,649	2,000	3,500
Interest income	25,535	35,882	25,535	35,882	-	-
Missions	17,906	16,936	17,906	16,936	-	-
Fundraising	7,027	6,996	7,027	6,996	-	-
	2,084,867	1,951,363	2,082,867	1,947,863	2,000	3,500
EXPENDITURES						
Facility contribution	1,448,669	1,325,310	1,448,669	1,325,310	-	-
Programming (Schedule 1)	376,194	381,082	376,194	381,082	-	-
Administrative (Schedule 2)	171,490	175,048	171,490	175,048	-	-
Fee Assistance	21,840	15,965	21,840	15,965	-	-
Missions	21,836	40,074	21,836	40,074	-	-
Scholarships	4,400	7,900	-	-	4,400	7,900
	2,044,429	1,945,379	2,040,029	1,937,479	4,400	7,900
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 40,438	$ 5,984	$ 42,838	$ 10,384	$ (2,400)	$ (4,400)

See notes to financial statements

	Total 2025	Total 2024	Operating Fund 2025	Operating Fund 2024	Endowment Fund 2025	Endowment Fund 2024
NET ASSETS - BEGINNING OF YEAR	$ 431,763	$ 425,779	$ 414,978	$ 404,595	$ 16,784	$ 21,184
Excess (deficiency) of revenues over expenditures	40,438	5,984	42,838	10,384	(2,400)	(4,400)
NET ASSETS - END OF YEAR	$ 472,201	$ 431,763	$ 457,816	$ 414,979	$ 14,384	$ 16,784

See notes to financial statements

	Total 2025	Total 2024
OPERATING ACTIVITIES		
Excess of revenues over expenditures	**$ 40,438**	$ 5,984
Changes in non-cash working capital:		
Accounts receivable	**34,012**	(36,915)
Prepaid expenses	**6,151**	(20,523)
Goods and services tax recoverable	**609**	(596)
Accounts payable	**20,064**	(51,850)
Deferred income	**29,565**	25,353
	90,401	(84,531)
INCREASE (DECREASE) IN CASH FLOW	**130,839**	(78,547)
Cash - beginning of year	**504,400**	582,947
CASH - END OF YEAR	**$ 635,239**	$ 504,400
CASH CONSISTS OF:		
Cash - General	**$ 628,055**	$ 497,361
Cash - Legacy	**7,184**	7,039
	$ 635,239	$ 504,400

See notes to financial statements

SHERWOOD PARK ALLIANCE CHURCH PROPERTY COMPANY

Financial Statements

Year Ended August 31, 2025

For Informational Purposes only
Complete Financial Statements with notes
available upon request

SHERWOOD PARK ALLIANCE CHURCH PROPERTY COMPANY
Statement of Financial Position
August 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	**$ 145,401**	$ 124,473
Term deposits	**-**	200,000
Interest receivable	**487**	11,492
Prepaid expenses	**789**	789
	146,677	336,754
LONG TERM		
Tangible capital assets *(Note 3)*	**12,203,888**	12,757,895
	$ 12,350,565	$ 13,094,649
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 10,499**	$ 214,289
Interest payable	**21,771**	24,103
Current portion of long term debt *(Note 4)*	**571,901**	545,205
	604,171	783,597
LONG TERM		
Long term debt *(Note 4)*	**4,598,432**	5,170,333
	5,202,603	5,953,930
CONTINGENCIES *(Note 7)*		
NET ASSETS		
Share capital *(Note 6)*	**5**	5
	7,147,957	7,140,714
	7,147,962	7,140,719
	$ 12,350,565	$ 13,094,649

ON BEHALF OF THE BOARD

X ________________ *Director*

X ________________ *Director*

See notes to financial statements

SHERWOOD PARK ALLIANCE CHURCH PROPERTY COMPANY

Statement of Revenues and Expenditures

Year Ended August 31, 2025

	2025	2024
REVENUES		
Base and operating *(Note 5)*	**$ 1,409,756**	$ 1,176,860
Capital contributions *(Note 5)*	**396,450**	396,000
Interest income	**10,381**	24,078
	1,816,587	1,596,938
EXPENSES		
Contribution for operating costs *(Note 5)*	**941,536**	709,041
Depreciation	**554,007**	595,155
Interest on long term debt	**273,250**	300,269
Mangement and administration fees expense *(Note 5)*	**26,000**	24,980
Professional fees	**11,198**	12,253
Interest and bank charges	**2,000**	-
Insurance	**1,183**	1,503
Sub-contracts	**170**	4,000
Donations	**-**	300,000
	1,809,344	1,947,201
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**$ 7,243**	$ (350,263)

See notes to financial statements

SHERWOOD PARK ALLIANCE CHURCH PROPERTY COMPANY

Statement of Changes in Net Assets

Year Ended August 31, 2025

	2025	2024
NET ASSETS - BEGINNING OF YEAR	**$ 7,140,714**	$ 7,490,977
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**7,243**	(350,263)
NET ASSETS - END OF YEAR	**$ 7,147,957**	$ 7,140,714

SHERWOOD PARK ALLIANCE CHURCH PROPERTY COMPANY
Statement of Cash Flows
Year Ended August 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	**$ 7,243**	$ (350,263)
Item not affecting cash:		
Depreciation	**554,007**	595,155
	561,250	244,892
Changes in non-cash working capital:		
Interest receivable	**11,005**	(9,374)
Prepaid expenses	**-**	321
Accounts payable and accrued liabilities	**(203,791)**	203,245
Interest payable	**(2,332)**	(2,110)
	(195,118)	192,082
Cash flow from operating activities	**366,132**	436,974
FINANCING ACTIVITY		
Repayment of long term debt	**(545,204)**	(519,754)
DECREASE IN CASH FLOW	**(179,072)**	(82,780)
CASH - BEGINNING OF YEAR	**324,473**	407,253
CASH - END OF YEAR	**$ 145,401**	$ 324,473
CASH CONSISTS OF:		
Cash	**$ 145,401**	$ 124,473
Term deposits	**-**	200,000
	$ 145,401	$ 324,473

See notes to financial statements