



## Combined Financial Statements

The Christian and Missionary Alliance in Canada  
(operating as The Alliance Canada)

December 31, 2024

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## Independent Auditor's Report

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To the Directors of  
The Christian and Missionary Alliance in Canada  
(operating as The Alliance Canada)

### **Opinion**

We have audited the combined financial statements of The Christian and Missionary Alliance in Canada (operating as The Alliance Canada) (the "Alliance"), which comprise the combined statement of financial position as at December 31, 2024, and the combined statements of activities and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Alliance as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Alliance in accordance with the ethical requirements that are relevant to our audit of the combined 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 Combined Financial Statements**

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Combined 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 combined 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 combined 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 Alliance'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 Alliance'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 combined 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 Alliance to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined 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.

*Doane Grant Thornton LLP*

Mississauga, Canada  
April 13, 2025

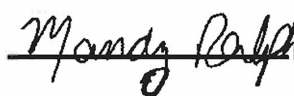
Chartered Professional Accountants  
Licensed Public Accountants


**The Christian and Missionary Alliance in Canada**  
**(operating as The Alliance Canada)**  
**Combined Statement of Financial Position**

December 31

	Global Advance Fund	Property Fund	Restricted Funds	2024 Total	2023 Total
<b>Assets</b>					
<b>Current</b>					
Cash	\$ 2,091,893	\$ -	\$ 1,385,010	\$ 3,476,903	\$ 1,638,293
Accounts receivable	50,825	-	27,772	78,597	96,249
Prepaid expenses	361,803	-	-	361,803	396,219
	<u>2,504,521</u>	<u>-</u>	<u>1,412,782</u>	<u>3,917,303</u>	<u>2,130,761</u>
Investments (Note 3)	251,692	27,571	4,471,398	4,750,661	6,398,130
Housing loans receivable (Note 4)	600,000	-	-	600,000	600,000
Other loans receivable (Note 5)	300,000	-	-	300,000	300,000
Property and equipment (Note 6)	172,108	8,693,764	-	8,865,872	9,073,053
Intangible assets (Note 6)	9,595	-	-	9,595	20,415
	<u>1,333,395</u>	<u>8,721,335</u>	<u>4,471,398</u>	<u>14,526,128</u>	<u>16,391,598</u>
	<u>\$ 3,837,916</u>	<u>\$ 8,721,335</u>	<u>\$ 5,884,180</u>	<u>\$ 18,443,431</u>	<u>\$ 18,522,359</u>
<b>Liabilities</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	\$ 1,420,491	\$ -	\$ -	\$ 1,420,491	\$ 998,306
Deferred revenue	3,685	27,571	-	31,256	25,582
Deferred contributions (Note 7)	25,000	-	-	25,000	25,000
	<u>1,449,176</u>	<u>27,571</u>	<u>-</u>	<u>1,476,747</u>	<u>1,048,888</u>
Deferred contributions (Note 7)	50,000	-	-	50,000	75,000
	<u>1,499,176</u>	<u>27,571</u>	<u>-</u>	<u>1,526,747</u>	<u>1,123,888</u>
<b>Fund balances</b>					
Internally restricted (Note 8)	1,557,037	-	-	1,557,037	1,150,835
Housing loan reserve (Note 4)	600,000	-	-	600,000	600,000
Invested in property and equipment and intangible assets	181,703	8,693,764	-	8,875,467	9,093,468
Externally restricted	-	-	5,884,180	5,884,180	6,554,168
	<u>2,338,740</u>	<u>8,693,764</u>	<u>5,884,180</u>	<u>16,916,684</u>	<u>17,398,471</u>
	<u>\$ 3,837,916</u>	<u>\$ 8,721,335</u>	<u>\$ 5,884,180</u>	<u>\$ 18,443,431</u>	<u>\$ 18,522,359</u>

On behalf of the Board of Directors

 Director

 Director

See accompanying notes to the combined financial statements.

**The Christian and Missionary Alliance in Canada**  
**(operating as The Alliance Canada)**  
**Combined Statement of Global Advance Fund Activities**

Year ended December 31

**2024**

**2023**

Revenue		
General contributions (Note 9)	\$ 13,468,023	\$ 12,293,825
Estates and legacies	1,024,276	691,564
Support contributions	617,895	649,526
Investment income (Note 3)	578,791	707,177
Districts contributions	263,831	285,431
General assembly registration	252,942	-
Sundry	30,475	56,647
	<u>16,236,233</u>	<u>14,684,170</u>
Expenditures		
International (Notes 10 and 11)	9,914,550	9,525,195
Central (Notes 10 and 11)	4,129,400	3,591,544
National (Notes 10 and 11)	1,886,418	2,249,690
General Assembly	398,697	-
	<u>16,329,065</u>	<u>15,366,429</u>
Deficiency of revenue over expenditures	(92,832)	(682,259)
Fund balances, beginning of year	1,942,061	2,545,348
Transfer from (to) Property fund (Note 2)	176,482	(201,028)
Transfer from Restricted funds (Note 2)	<u>313,029</u>	<u>280,000</u>
Fund balances, end of year	<u>\$ 2,338,740</u>	<u>\$ 1,942,061</u>

See accompanying notes to the combined financial statements.

**The Christian and Missionary Alliance in Canada  
(operating as The Alliance Canada)  
Combined Statement of Property Fund Activities**

Year ended December 31	2024	2023
Revenue		
Rent	\$ 277,933	\$ 218,329
Resource property income	<u>7,798</u>	<u>19,273</u>
	<u>285,731</u>	<u>237,602</u>
Expenditures		
Amortization	208,478	187,917
Property expenses	<u>109,249</u>	<u>266,904</u>
	<u>317,727</u>	<u>454,821</u>
Deficiency of revenue over expenditures	(31,996)	(217,219)
Fund balance, beginning of year	8,902,242	8,918,433
Transfer (to) from Global Advance fund (Note 2)	<u>(176,482)</u>	<u>201,028</u>
Fund balance, end of year	<u>\$ 8,693,764</u>	<u>\$ 8,902,242</u>

**The Christian and Missionary Alliance in Canada  
(operating as The Alliance Canada)  
Combined Statement of Restricted Fund Activities**

Year ended December 31	2024	2023
Revenue		
Designated contributions	\$ 5,144,557	\$ 5,368,459
Expenditures		
Designated funds disbursed	<u>5,501,516</u>	<u>7,076,643</u>
Deficiency of revenue over expenditures	(356,959)	(1,708,184)
Fund balance, beginning of year	6,554,168	8,542,352
Transfer to Global Advance fund (Note 2)	<u>(313,029)</u>	<u>(280,000)</u>
Fund balance, end of year	<u>\$ 5,884,180</u>	<u>\$ 6,554,168</u>

See accompanying notes to the combined financial statements.

**The Christian and Missionary Alliance in Canada**  
**(operating as The Alliance Canada)**  
**Combined Statement of Cash Flows**

Year ended December 31

2024

2023

Increase (decrease) in cash

**Operating**

Deficiency of revenue over expenditures

Global Advance fund

\$ (92,832) \$ (682,259)

Property fund

(31,996) (217,219)

Restricted funds

(356,959) (1,708,184)

Items not involving cash

Amortization of property and equipment

293,024 291,448

Amortization of intangible assets

12,845 12,845

Realized gains on investments reinvested (Note 3)

(31,053) (145,034)

Unrealized gains on investments (Note 3)

(282,122) (349,047)

(489,093) (2,797,450)

Net change in non-cash working capital items

Accounts receivable

17,652 12,713

Prepaid expenses

34,416 (105,119)

Accounts payable and accrued liabilities

422,185 51,872

Deferred revenue

5,674 25,582

Deferred contributions

(25,000) (25,000)

454,927 (39,952)

(34,166) (2,837,402)

**Investing**

Purchase of investments

(5,860,056) (2,226,812)

Proceeds on disposal of investments

7,820,700 4,076,541

Repayment of other loans receivable

- 600,000

Advance of housing loans receivable (net)

- (130,002)

Purchase of property and equipment and intangible assets

(87,868) (216,209)

1,872,776 2,103,518

Increase (decrease) in cash during the year

1,838,610 (733,884)

Cash, beginning of year

1,638,293 2,372,177

Cash, end of year

\$ 3,476,903 \$ 1,638,293

Cash is held as follows:

Global Advance fund

\$ 2,091,893 \$ 1,129,441

Restricted funds

1,385,010 508,852

\$ 3,476,903 \$ 1,638,293

See accompanying notes to the combined financial statements.



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# **The Christian and Missionary Alliance in Canada**

## **(operating as The Alliance Canada)**

### **Notes to the Combined Financial Statements**

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December 31, 2024

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#### **1. Purpose and governing statutes**

The Christian and Missionary Alliance in Canada (operating as The Alliance Canada) (the "Alliance") is a religious denomination which is committed to world evangelization, stressing the fullness of Christ in personal experience, building the Church, and preaching the gospel to the ends of the earth.

The Alliance is incorporated as a not-for-profit organization under the Canada Not-for-profit Corporations Act and also registered as a Canadian charity. As such, the Alliance is exempt from income taxes.

These combined financial statements include the financial statements of the Alliance and those of an incorporated, not-for-profit organization under common management. The not-for-profit organization operates with the same purpose of world evangelization.

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#### **2. Summary of significant accounting policies**

The combined financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, the more significant policies of which are outlined below.

##### **Use of estimates**

Management reviews the carrying amounts of items in the combined financial statements at each combined statement of financial position date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these combined financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically, and adjustments are made to the excess (deficiency) of revenue over expenditures as appropriate in the year they become known.

##### **Fund accounting**

Separate funds are maintained to account for and to report on the separate activities or objectives as determined by donors or by resolution of the Board of Directors (the "Board").

##### Global Advance fund

The Global Advance Fund (GAF) reflects all general programs and activities and missionary work of the Alliance.

##### Internally restricted funds (Note 8)

##### *Legacy and Matured Gift Annuity Reserve*

The Legacy and Matured Gift Annuity Reserve was established by the Board in 2010. This reserve provides further protection against unforeseen expenses or reductions in revenue, over and above the Emergency Reserve.

##### *Emergency Reserve*

The Emergency Reserve was established in 1993 pursuant to a resolution by the Board to protect the Alliance against unforeseen expenses or reductions in revenue. In accordance with Board policy, this fund is to be built up and then to maintain as an emergency reserve an amount equivalent to one month of Global Advance Fund (GAF) expenditures.

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**The Christian and Missionary Alliance in Canada**  
**(operating as The Alliance Canada)**  
**Notes to the Combined Financial Statements**  
December 31, 2024

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**2. Summary of significant accounting policies (continued)**

Internally restricted funds (Note 8) (continued)

*Venture Reserve*

The Venture Reserve was established pursuant to a resolution by the Board in 2018. The repatriated funds from the unexpected sale of the Hong Kong property were approved to be allocated in 2018 designated to mission critical Venture Projects temporarily held in Operating Reserves.

*General Assembly Reserve*

The internally restricted fund is budgeted in non-Assembly years, providing for one-half of the estimated net costs of the succeeding General Assembly.

*Cash Flow Reserve*

The Cash Flow Reserve was established by the Board in 2006. This reserve was established to have sufficient cash on hand to meet approved expenses, especially during the summer and fall months when cumulative expenditures often exceed cumulative revenue.

*GAF Future Spending Reserve*

The GAF Future Spending Reserve was established by the Board in 2015, as one means of furthering the goal of sustainable funding and sustainable spending. A portion of undesignated legacy gifts is transferred to this reserve account, to be provided back to GAF for spending in subsequent years.

*Operating Reserve*

The Operating Reserve was established pursuant to a resolution by the Board in addition to the emergency and cash flow reserve to build and maintain a reserve equal to one month of GAF expenditures. This reserve fund is intended to provide for unforeseen, unusual expenditures and to provide funding for emergent and/or time-sensitive ministry opportunities.

Property fund

The Property fund includes revenue, expenditures and fund balances related to the Alliance's long-term property and equipment.

Restricted funds

*Contributions held pending disbursement*

Externally designated contributions held pending disbursement are contributions received for various designated projects.

The Alliance receives designated gifts from a variety of sources and generally will hold these funds until the time that they are specifically needed. It is normally advantageous to the ministry purpose of the donation to hold the funds in a hard currency such as the Canadian dollar, rather than immediately sending the funds overseas into a softer currency, where the funds could have a greater risk of devaluation. Designated contributions are provided for a variety of ministry purposes, including the following: Global Emergency Response, Defend Dignity, Indigenous Ministries, Ministry Partner funds, Approved projects, and others.

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# **The Christian and Missionary Alliance in Canada**

## **(operating as The Alliance Canada)**

### **Notes to the Combined Financial Statements**

December 31, 2024

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#### **2. Summary of significant accounting policies (continued)**

##### **Property and equipment and intangible assets**

Purchased property and equipment and intangible assets are recorded at cost. Contributed property and equipment are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the assets' estimated useful life as follows:

##### Property and equipment

Building	Over 25 - 40 years
Computer equipment	Over 3 years
Furniture and equipment	Over 5 years

##### Intangible assets

Major computer software (systems)	Over 5 years
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Leasehold improvements are amortized over the term of the lease.

Amortization of equipment is recorded in the combined statement of Global Advance Fund Activities as a component of global ministries, executive administration and national ministries expenditures. Amortization of the building is recorded in the property fund.

##### **Impairment of long-lived assets**

The Alliance tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets might be impaired. The assets are tested for impairment by comparing the net carrying value to their fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of activities. Any impairment recognized is not reversed.

##### **Revenue recognition**

The Alliance follows the restricted fund method of accounting for contributions. As such, unrestricted contributions and legacies are recognized as revenue of the Global Advance fund in the year received. Contributions which are externally restricted by the donor are recorded in the appropriate restricted funds in the year received.

Investment income, resource property income and rent are recognized as earned. Registration fees are recognized when the event takes place. Donated investments are recorded in the accounts at fair market value at the time of receipt if its fair value can be reasonably estimated.

##### **Contributed services**

Contributed services are not recognized in the combined financial statements due to the difficulty in determining their fair value.

##### **Financial instruments**

The Alliance's financial instruments are comprised of cash, accounts receivable, investments, housing loans receivable, other loans receivable, and accounts payable.

The Alliance's financial instruments are initially measured at fair value when issued or acquired, except for certain non-arm's length transactions, which are initially measured at cost.

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**The Christian and Missionary Alliance in Canada**  
**(operating as The Alliance Canada)**  
**Notes to the Combined Financial Statements**  
December 31, 2024

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**2. Summary of significant accounting policies (continued)**

**Financial instruments (continued)**

At each reporting date, the Alliance measures its financial assets and liabilities at amortized cost except for investments and loans receivable. Investments are recorded and carried at fair market value. Unrealized gains and losses arising from the change in fair value of investments are recorded in excess (deficiency) of revenue over expenditures for the year. The housing loans and other loans receivable are measured at cost as the amortized cost values, using the effective interest method, are not determinable given the undefined period of the obligations.

The Alliance measures its financial assets and liabilities of non-arm's length transactions subsequently at cost.

For financial assets measured at cost or amortized cost, the Alliance regularly assesses whether there are any indications of impairment. Any impairment loss is recognized in the combined statement of activities.

**Foreign operations and assets**

All expenditures and property and equipment purchases for operations in foreign countries are recorded as ministries expenditures when remitted. This policy is based on the assumption that such assets would rarely return to the Alliance once they are sent overseas.

**Interfund transfers**

Transfers between funds are made when resources of one fund have been authorized to finance activities and acquisitions of another fund. During 2024, in accordance with the terms of the restricted funds, the Board approved the transfer of \$313,029 (2023 - \$280,000) of Restricted funds to the appropriate Global Advance fund activities and \$176,482 from the Property fund to the Global Advance fund (2023 - \$201,028 transfer from the Global Advance fund to the Property fund).

**Allocation of expenditures**

Expenses are reported by ministry program and support services. Certain employees perform a combination of ministry, fundraising and administrative activities. The allocation is based on the estimated time and effort spent on these activities. Refer to Note 11 for details.

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**3. Investments**

	<u>2024</u>	<u>2023</u>
Mutual funds	\$ 1,988,948	\$ 1,348,016
Fixed income	1,765,334	2,593,078
Equities	<u>996,379</u>	<u>2,457,036</u>
	<u>\$ 4,750,661</u>	<u>\$ 6,398,130</u>

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**The Christian and Missionary Alliance in Canada**  
**(operating as The Alliance Canada)**  
**Notes to the Combined Financial Statements**  
December 31, 2024

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**3. Investments (continued)**

Investment income for the year recorded in the Global Advance fund is made up of the following:

	<u>2024</u>	<u>2023</u>
Unrealized gains on investments	\$ 282,122	\$ 349,047
Interest	236,867	197,690
Realized gains on investments	31,053	145,034
Dividends	<u>28,749</u>	<u>15,406</u>
	<u>\$ 578,791</u>	<u>\$ 707,177</u>

Fixed income investments include bonds and guaranteed investment certificates earning interest at annual rates from 3.35% to 5.36% per annum (2023 - 1.10% to 5.60% per annum), maturing between February 2025 and February 2028 (2023 - January 2024 and February 2028). Investments maturing in the next fiscal year are expected to be reinvested and are accordingly presented as long-term assets.

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**4. Housing loans receivable/reserve**

The Alliance extends loans to employees who relocate as a consequence of assuming duties with the Alliance. Housing loans are fully repayable upon the first of the sale or transfer of the property and within six months of termination of employment. Neither is anticipated to occur in the next fiscal year, hence its classification as long-term assets.

The housing loans require interest to be paid on the due date based upon an effective interest rate equal to the pro-rata increase in the fair value from the purchase date to the due date.

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**5. Other loans receivable**

The Alliance provided a non-interest bearing loan to the Alliance Chretienne ET Missionnaire Au Quebec (St. Lawrence District) in the amount of \$300,000 to assist them in their purchase of their Ministry Centre in fiscal 2018. The loan is secured by a second charge on the St. Lawrence District Ministry Centre at 3190 Rue Delauney, Laval, QC repayable in full from the proceeds of the sale of the building, if and when it is sold. Neither is anticipated to occur in the next fiscal year, hence its classification as a long-term asset.

**The Christian and Missionary Alliance in Canada**  
**(operating as The Alliance Canada)**  
**Notes to the Combined Financial Statements**  
December 31, 2024

**6. Property and equipment and intangible assets**

	<u>2024</u>		<u>2023</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Property and equipment			
Land	\$ 2,151,643	\$ -	\$ 2,151,643
Building	7,104,072	703,618	6,400,454
Leasehold improvements	170,000	28,333	141,667
Computer equipment	295,750	266,622	29,128
Furniture and equipment	444,797	301,817	142,980
	<u>\$ 10,166,262</u>	<u>\$ 1,300,390</u>	<u>\$ 8,865,872</u>
Intangible assets			
Major computer software (systems)	<u>\$ 119,841</u>	<u>\$ 110,246</u>	<u>\$ 9,595</u>
			<u>\$ 20,415</u>

**7. Deferred contributions**

During 2018, an estate of \$250,000 was received by the Alliance and directed by the donor to be used evenly over 10 years starting in 2018. The donation is specified for the Global Advance Fund and will be recognized in the amount of \$25,000 per year until 2027.

**8. Internally restricted funds**

	<u>2024</u>	<u>2023</u>
Legacy and Matured Gift Annuity Reserve	\$ 1,482,840	\$ 1,076,638
Emergency Reserve	50,000	-
Venture Reserve	24,197	24,197
General Assembly Reserve	-	50,000
	<u>\$ 1,557,037</u>	<u>\$ 1,150,835</u>

While there are other internally restricted funds that currently have a \$Nil (2023 - \$Nil) balance, the Board intends to reaccumulate funds for those reserves over the next few years.

**9. Alliance Charitable Foundation**

During the year, the Alliance received a contribution of \$7,000 (2023 - \$Nil) from the Alliance Charitable Foundation (the "Foundation"). The Foundation is incorporated as a not-for-profit organization under the Canada Not-for-profit Corporations Act and also registered as a Canadian charity. The Foundation is related to the Alliance due to a member of management of the Alliance being a member of the Board of the Foundation. The Foundation offers a unique method to give charitably to the Alliance designated to the Global Advance Fund.

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**The Christian and Missionary Alliance in Canada**  
**(operating as The Alliance Canada)**  
**Notes to the Combined Financial Statements**  
December 31, 2024

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**10. Expenditures**

**International**

International expenditures include all the costs of an International Worker, from the start of their journey with candidate development and pre-field orientation, to travel and shipping costs to get to their international mission field, plus, once on their field, their compensation including salary and benefits such as the Alliance Pension Plan, medical insurance, visas, language study, training conferences and retreats, member care, children's schooling, and periodic home assignment travel and General Assembly attendance. It also includes the costs of field office operations, team and regional leadership, strategic development, and a share of National Ministry Center expenditures.

**Central**

Central expenditures include the President's office, compensation including salary and benefits such as the Alliance Pension Plan, District Superintendent compensation, travel, legal fees, various committee costs, Finance including Alliance Pension Fund Administration, National Advisor or Safe Ministry costs, Educational Grants, Board of Directors, Association fees, and a share of National Ministry Office expenditures.

**National**

National expenditures include compensation including salary and benefits such as the Alliance Pension Plan; National executive office-related expenses including travel, various consulting and partnership fees, professional development, and a retiral subsidy; National network teams, New Ventures; Next Gen, including Envision, Multicultural ministries, Development, Communications, Digital Strategy, Defend Dignity, and a share of National Ministry Office expenditures.

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**11. Allocation of expenditures**

Certain administration and communication expenditures have been allocated as follows:

	<u>2024</u>				<u>2023</u>
	<u>International</u>	<u>National</u>	<u>Central</u>	<u>Total</u>	<u>Total</u>
Administration	\$ 218,952	\$ 218,952	\$ 218,952	\$ 656,856	\$ 977,895
Communication	<u>19,883</u>	<u>19,883</u>	<u>19,883</u>	<u>59,649</u>	<u>62,040</u>
	<u>\$ 238,835</u>	<u>\$ 238,835</u>	<u>\$ 238,835</u>	<u>\$ 716,505</u>	<u>\$ 1,039,935</u>

**12. Post-retirement benefits**

The Alliance participates in a defined contribution pension plan to provide post-retirement benefits to its eligible employees. The assets of the plan are held separately from those of the Alliance in an independently administered registered pension plan. The pension expense is equal to the contributions paid by the Alliance and for the year amounted to \$482,253 (2023 - \$483,501) and is recorded as expenditures in the combined statement of Global Advance Fund Activities.

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## **The Christian and Missionary Alliance in Canada (operating as The Alliance Canada) Notes to the Combined Financial Statements**

December 31, 2024

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### **13. Line of credit and credit cards**

The Alliance has a \$1,000,000 line of credit from the Canadian Imperial Bank of Commerce with interest payable at a rate of prime plus 0.75% per annum. The line was not drawn in 2024.

In addition, the Alliance has access to a credit card limit of \$500,000. At December 31, 2024, \$197,000 (2023 - \$76,000) is payable on the credit cards and accrued in the accounts.

The credit facilities are secured by all present and after acquired personal property and an investment with CIBC Wood Gundy in the amount of \$1,053,000.

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### **14. Financial instruments**

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the combined financial statements in assessing the extent of risk related to financial instruments.

#### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its obligation. This risk is mitigated by the Alliance through ensuring revenue is derived from qualified sources. The allowance for doubtful accounts in relation to accounts receivable, housing loans receivable and other loans receivable is \$Nil (2023 - \$Nil).

#### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Alliance is exposed to interest rate risk with respect to its investments with fixed interest rates.

#### **Currency risk**

Currency risk is the risk arising from the change in price of one currency against another. The Alliance is exposed to currency risk with respect to a portion of its cash held in US dollars. Cash held in bank accounts in US dollars at year-end is \$510,193 (2023 - \$156,281). The gain (loss) on foreign exchange is insignificant.

#### **Other price risk**

The Alliance is exposed to other price risk on its investments quoted in an active market since changes in market prices would result in changes in the fair value of these instruments. To manage this risk, the Alliance follows an investment policy which requires a diversified portfolio meeting specific requirements.

#### **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Alliance is exposed to liquidity risk with respect to its accounts payable. The Alliance reduces its exposure to liquidity risk related to accounts payable by ensuring that it documents when authorized payments are due and maintaining adequate cash reserves to meet obligations.