THE ASSOCIATION CLASSIS ALBERTA NORTH OF THE CHRISTIAN REFORMED CHURCH IN NORTH AMERICA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

METRIX GROUP LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of The Association Classis Alberta North of the Christian Reformed Church in North America:

Qualified Opinion

We have audited the financial statements of The Association Classis Alberta North of the Christian Reformed Church in North America (the "Association"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, 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 Association as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from certain activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, deficiency of revenues over expenses, and cash flows from operations for the year ended December 31, 2025, current assets and net assets as at December 31, 2025.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other Matter

The financial statements of The Association Classis Alberta North of the Christian Reformed Church in North America for the year ended December 31, 2024 were audited by MNP LLP of Edmonton, Alberta, Canada. MNP LLP expressed a qualified opinion on those statements on February 4, 2025 for the reasons described in the Basis for Qualified Opinion paragraph.

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

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

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

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Independent Auditors' Report to the Association Classis Alberta North of the Christian Reformed Church in North America.

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 it 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 Association's internal control.

- Evaluate the appropriateness of accounting policies 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association 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.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
February 3, 2026

THE ASSOCIATION CLASSIS ALBERTA NORTH OF THE CHRISTIAN REFORMED CHURCH IN NORTH AMERICA

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ **421,909**	$ 283,030
Term deposit	**200,000**	200,000
Accounts receivable	**6,264**	1,209
Goods and Services Tax receivable	**977**	421
Prepaid expenses	**702**	668
	629,852	485,328
Student loans receivable (Note 3)	**-**	-
Tangible capital assets (Note 4)	**-**	551
Art Work	**5,590**	5,590
	$ **635,442**	$ 491,469
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	$ **8,498**	$ 10,548
Trust liabilities (assets) (Note 5)	**(1,690)**	2,611
Deferred contributions (Note 6)	**6,500**	11,800
	13,308	24,959
Net Assets		
Unrestricted	**424,962**	356,794
Internally restricted (Note 7)	**197,172**	109,165
Invested in tangible capital assets	**-**	551
	622,134	466,510
	$ **635,442**	$ 491,469

APPROVED ON BEHALF OF THE BOARD:

Chair

Treasurer

THE ASSOCIATION CLASSIS ALBERTA NORTH OF THE CHRISTIAN REFORMED CHURCH IN NORTH AMERICA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 Budget (Note 10)	**2025**	2024
Revenue			
Ministry shares	$ 363,036	**$ 385,505**	$ 306,534
Grants (Note 6)	16,852	**22,301**	27,145
Cost sharing and donations	4,000	**8,482**	9,096
Interest	-	**7,318**	10,311
	383,888	**423,606**	353,086
Expenses			
Salaries, honoraria and benefits	199,498	**128,042**	182,601
Reserve for forgiveness of student loans (Note 3)	36,000	**54,000**	34,100
Conferences and training	23,985	**32,857**	27,128
Meetings and travel	30,605	**22,187**	30,569
Professional fees	13,900	**12,258**	10,286
Operating supplies and services	16,381	**11,235**	18,978
Ministry grants	54,856	**3,500**	30,102
Insurance	3,000	**3,128**	2,915
Amortization	663	**551**	662
Bank charges and credit card discounts	-	**224**	158
Settlement	-	**-**	(2,500)
	378,888	**267,982**	334,999
Annual Surplus	$ 5,000	**$ 155,624**	$ 18,087

THE ASSOCIATION CLASSIS ALBERTA NORTH OF THE CHRISTIAN REFORMED CHURCH IN NORTH AMERICA

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Invested in Tangible Capital Assets	Unrestricted	Internally Restricted	**2025** Total	2024 Total
Balance, Beginning of Year	$ 551	$ 356,794	$ 109,165	**$ 466,510**	$ 448,423
Annual Surplus	-	155,624	-	**155,624**	18,087
Transfers	-	(87,913)	87,913	-	-
Amortization	(551)	551	-	-	-
Interest income	-	(94)	94	-	-
Balance, End of Year	$ -	$ 424,962	$ 197,172	**$ 622,134**	$ 466,510

THE ASSOCIATION CLASSIS ALBERTA NORTH OF THE CHRISTIAN REFORMED CHURCH IN NORTH AMERICA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Cash and cash equivalents from operations		
Annual surplus	**$ 155,624**	$ 18,087
Items not affecting cash and cash equivalents:		
Amortization	**551**	662
Reserve for forgiveness of student loans	**54,000**	34,100
	210,175	52,849
Change in non-cash working capital:		
Accounts receivable	**(5,055)**	456
Goods and services tax recoverable	**(556)**	217
Prepaid expenses	**(34)**	434
Accounts payable and accrued liabilities	**(2,050)**	2,149
Trust liabilities	**(4,301)**	(1,350)
Deferred contributions	**(5,300)**	(814)
Contingent liability	**-**	(15,000)
	(17,296)	(13,908)
Cash flow from (used by) operating activities	**192,879**	38,941
INVESTING ACTIVITIES		
Purchase of term deposit	**(200,000)**	(200,000)
Redemption of term deposit	**200,000**	200,000
Cash flow from (used by) investing activities	**-**	-
FINANCING ACTIVITIES		
Advances of student loans	**(54,000)**	(34,100)
Cash flow from (used by) financing activities	**(54,000)**	(34,100)
Change in Cash and Cash Equivalents During the Year	**138,879**	4,841
Cash and Cash Equivalents, Beginning of Year	**283,030**	278,189
Cash and Cash Equivalents, End of Year	**$ 421,909**	$ 283,030

THE ASSOCIATION CLASSIS ALBERTA NORTH OF THE CHRISTIAN REFORMED CHURCH IN NORTH AMERICA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

1. NATURE OF OPERATIONS

The Association Classis Alberta North of the Christian Reformed Church in North America (the "Association") is a not-for-profit organization incorporated under the Alberta Societies Act and is a registered charity under the *Income Tax Act*.

The purposes of the Association are to encourage member congregations to faithful and creative ministry, to jointly undertake ministries of common interest, and to participate in denominational ministries and governance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as revenue when earned.

Cash and Cash Equivalents

Cash and cash equivalents includes operating accounts. All amounts are readily converted into known amounts of cash and are subject to an insignificant change in value.

Tangible Capital Assets

Tangible capital assets are recorded at cost less less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution. When a tangible capital asset no longer contributes to the Association's ability to provide services or the value of future economic benefits associated with the tangible capital asset is less than its net book value, the carrying value of the tangible capital asset is reduced to reflect the decline in the asset's value. Any net write-downs are accounted for as expenses in the statement of operations.

Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	5 years	Straight-line basis

Contributed Services

The work of the Association is dependent on the voluntary services of many members. The value of donated services is not recognized in these statements.

Measurement Uncertainty

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 recorded amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. All estimates are reviewed periodically and adjustments are made to the statements of operations as appropriate in the year they become known.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments

Measurement of financial instruments

The Association initially measures its financial assets and financial liabilities at fair value and subsequently measures all financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

3. STUDENT LOANS RECEIVABLE

The Association provides non-interest bearing loans to individuals who are preparing to enter into full-time ministry in the Christian Reformed Church. The recipients sign loan agreements when the funds are advanced. When the individuals enter into full-time ministry in the Christian Reformed Church, the loans are forgiven at a rate of 20% per year. An allowance is provided for loans that the Association considers uncollectible or that the Association intends to forgive.

	2025	2024
Loans receivable		
Opening balance	**$ 206,117**	$ 193,529
Advances	**54,000**	34,100
Loans forgiven, previously set up as a reserve	**(44,812)**	(21,512)
Ending balance	**215,305**	206,117
Reserve		
Opening balance	**206,117**	193,529
Reserve for forgiveness of student loans	**54,000**	34,100
Loans forgiven, previously set up as a reserve	**(44,812)**	(21,512)
Ending balance	**215,305**	206,117
Net student loans receivable	**$ -**	$ -

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2025	Net Book Value 2024
Computer equipment	$ 3,313	$ 3,313	$ -	$ 551

5. TRUST LIABILITIES (ASSETS)

	The King's University	Various causes	2025	2024
Balance, beginning of year	$ 2,611	$ -	**$ 2,611**	$ 3,961
Ministry shares received	222,338	-	**222,338**	182,396
Specified funds received	-	(7,545)	**(7,545)**	2,485
Ministry shares remitted	(226,639)	-	**(226,639)**	(183,397)
Specified funds remitted	-	7,545	**7,545**	(2,834)
Balance, end of year	$ (1,690)	$ -	**$ (1,690)**	$ 2,611

6. DEFERRED CONTRIBUTIONS

	Balance, beginning of year	Net funds received (returned)	Recognized as revenue	Balance end of year
Cuba Connection	$ 6,897	$ (2,399)	$ -	$ 4,498
Home Mission	2,002	-	-	2,002
Campus ministries - NAIT	2,901	9,360	(12,261)	-
Campus ministries - U of A	-	10,040	(10,040)	-
	$ 11,800	$ 17,001	$ (22,301)	$ 6,500

7. INTERNALLY RESTRICTED NET ASSETS

Each year, the committee for Home Missions determines an amount (2025 - $nil; 2024 - $nil) to be set aside for church plant projects. The amount is recorded as internally restricted.

8. RELATED PARTY TRANSACTIONS

The Association paid honoraria and fees for professional services to members of the Board of Directors totaling $12,500 (2024 - $14,000).

9. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis provides information about the Association's risk exposure and concentration as of December 31, 2025.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from grants and member churches.

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. The Association is exposed to interest rate risk primarily through its investment in term deposit.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant other price risks arising from these financial instruments.

10. BUDGET

The budget was approved by the Association on October 19, 2024. The budgeted amounts have been provided for information purposes only and are unaudited.