UNIONVILLE ALLIANCE CHURCH

FINANCIAL STATEMENTS

JUNE 30, 2026

INDEX

INDEPENDENT AUDITOR'S REPORT

To the Members of
Unionville Alliance Church

Qualified Opinion
We have audited the financial statements of Unionville Alliance Church which comprise the statement of financial position as at June 30, 2026, and the statement of operations and changes in fund balances and statement of 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 effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 2026, 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, Unionville Alliance Church derives part of its revenues in the form of contributions 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 entity. Therefore, we were not able to determine whether any adjustments might be necessary to contributions revenue, excess of revenues over expenses, and cash flows from operations for the years ended June 30, 2026 and 2025, current assets as at June 30, 2026 and 2025, and fund balances as at July 1 and June 30 for both the 2026 and 2025 years.

Our audit opinion on the financial statements for the year ended June 30, 2025 was modified accordingly because of the possible effects of this limitation in 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 entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

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Those charged with governance are responsible for overseeing the entity'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 entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Norton McMullen LLP

NORTON McMULLEN LLP
Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada
August 31, 2026

UNIONVILLE ALLIANCE CHURCH

STATEMENT OF FINANCIAL POSITION

As at June 30,	2026	2025
ASSETS		
Current		
Cash	$ 298,756	$ 275,065
Investments - unrestricted (Note 2)	467,724	262,348
Investments - restricted (Note 2)	179,533	183,962
Accounts receivable	5,848	4,427
HST recoverable	20,786	35,420
Prepaid expenses	101,975	123,147
	$ 1,074,622	$ 884,369
Long-Term Investments - Unrestricted (Note 2)	-	100,546
Capital Assets (Note 3)	1,893,651	1,860,009
	$ 2,968,273	$ 2,844,924

	2026	2025
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 56,701	$ 47,623
Government remittances payable	-	29,769
Deferred contributions (Note 4)	34,239	8,544
Deferred revenue	68,829	83,377
	$ 159,769	$ 169,313
FUND BALANCES		
Unrestricted	$ 2,663,210	$ 2,500,193
Restricted	145,294	175,418
	$ 2,808,504	$ 2,675,611
	$ 2,968,273	$ 2,844,924

Approved by the Board:

_______________ Director   _______________ Director

See accompanying notes

UNIONVILLE ALLIANCE CHURCH

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the year ended June 30,

	Unrestricted		Restricted				2026	2025
	Operating Fund	Property Fund	Property Improvement Fund	Community Care Fund	Mission Fund	Memorial Fund	Total	Total
REVENUES								
Contributions	$ 1,089,695	$ -	$ -	$ -	$ -	$ -	$ 1,089,695	$ 990,335
Designated contributions	-	-	119,102	127,958	143,810	2,404	393,274	295,102
Programming	109,877	-	-	-	-	-	109,877	88,037
Rental income	23,899	-	-	-	-	-	23,899	28,729
Government assistance (Note 6)	-	-	10,000	-	-	-	10,000	26,800
Interest	14,812	-	-	-	-	-	14,812	12,816
Other	6,472	-	-	-	-	-	6,472	-
	$ 1,244,755	$ -	$ 129,102	$ 127,958	$ 143,810	$ 2,404	$ 1,648,029	$ 1,441,819
EXPENSES								
Salaries	$ 556,998	$ -	$ -	$ -	$ -	$ -	$ 556,998	$ 526,093
Programming	220,421	-	-	-	-	-	220,421	202,194
Amortization	-	176,757	-	-	-	-	176,757	148,339
Mission	-	-	-	-	159,045	-	159,045	114,789
Facilities	157,639	-	-	-	-	-	157,639	145,102
Community care	-	-	-	145,251	-	-	145,251	92,281
Office and administration	87,025	-	-	-	-	-	87,025	73,828
Levy	12,000	-	-	-	-	-	12,000	12,000
	$ 1,034,083	$ 176,757	$ -	$ 145,251	$ 159,045	$ -	$ 1,515,136	$ 1,314,626
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ 210,672	$ (176,757)	$ 129,102	$ (17,293)	$ (15,235)	$ 2,404	$ 132,893	$ 127,193
FUND BALANCES - Beginning	640,183	1,860,010	-	96,187	67,068	12,163	2,675,611	2,548,418
Inter-fund transfers (Note 5)	(81,296)	210,398	(129,102)	-	-	-	-	-
FUND BALANCES - Ending	$ 769,559	$ 1,893,651	$ -	$ 78,894	$ 51,833	$ 14,567	$ 2,808,504	$ 2,675,611

See accompanying notes

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UNIONVILLE ALLIANCE CHURCH

STATEMENT OF CASH FLOWS

For the year ended June 30,	2026	2025
CASH WAS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenues over expenses	$ 132,893	$ 127,193
Items not affecting cash:		
Amortization	176,757	148,339
	$ 309,650	$ 275,532
Net change in non-cash working capital balances:		
Accounts receivable	(1,421)	(4,427)
HST recoverable	14,634	(2,164)
Prepaid expenses	21,172	48,635
Accounts payable and accrued liabilities	9,077	(3,132)
Government remittances payable	(29,769)	20,524
Deferred contributions	25,695	(7,881)
Deferred revenue	(14,548)	32,927
	$ 334,490	$ 360,014
INVESTING ACTIVITIES		
Purchase of capital assets	$ (210,398)	$ (332,841)
Redemption (purchase) of investments	(100,401)	100,359
	$ (310,799)	$ (232,482)
INCREASE IN CASH	$ 23,691	$ 127,532
CASH - Beginning	275,065	147,533
CASH - Ending	$ 298,756	$ 275,065

See accompanying notes

NATURE OF OPERATIONS

Unionville Alliance Church (the "Church") is a member of the Christian and Missionary Alliance Church in Canada. Unionville Alliance Church exists to lead people to know Jesus Christ and to follow Him passionately. The Church is an unincorporated not-for-profit organization. The Church is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) **Fund Accounting**

Resources are classified into funds according to the activities or objectives specified as follows:

The **Operating Fund** consists of contributions, other revenues, and related expenses pertaining to the operations and ministry of the Church.

The **Property Fund** reflects assets, liabilities, revenues and expenses related to the Church's land and buildings and other long-term capital assets. Revenues of this fund reflect contributions designated for capital acquisitions.

The **Property Improvement Fund** consists of contributions and related expenses pertaining to major capital upgrades on the property.

The **Community Care Fund** was established by the Board of Elders and consists of restricted contributions to provide support to members of the community worldwide who are in need of assistance.

The **Mission Fund** receives contributions restricted by the donor in support of missions projects established by the Church Board.

The **Memorial Fund** was established by the Board of Elders for the Marjorie Sproxton Memorial Scholarship and consists of restricted contributions to be used as on-going investments in the training of missionaries.

1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

b) **Use of Estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used. Significant estimates include the estimated useful life of capital assets.

c) **Cash**

Cash consists of bank deposit balances only.

d) **Capital Assets**

Capital assets are recorded at cost. Amortization is being provided over the estimated useful life of the assets on a declining balance basis using the following annual rates:

	Rate
Building	2.5%
Furniture and equipment	20%
Parking lot	10%
Youth building	5%
Computer equipment	33.3%

e) **Impairment of Capital Assets**

When a tangible capital asset no longer contributes to an organization's ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost.

f) **Revenue Recognition**

The Church follows the restricted fund method of accounting for contributions, programming and government assistance revenues. Externally restricted contributions are recognized as revenue in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized as revenue in the Operating Fund. Restricted contributions for which there is no fund are accounted for using the deferral method.

Rental revenue is recognized when received or receivable and collection is reasonably assured.

1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

   g) **Financial Instruments**

   Measurement of Financial Instruments
   The Church initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. The Church subsequently measures all its financial assets and financial liabilities at amortized cost.

   Financial assets subsequently measured at amortized cost include cash, guaranteed investment certificates, and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

   The Church has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

   Impairment
   Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

2. **INVESTMENTS**

Investments consist of the following:

	2026	2025
GIC's due lesser than one year, at amortized cost	$ **647,257**	$ 433,111
GIC's due greater than one year, at amortized cost	-	100,546
Marketable securities, at fair value	-	13,199
	$ **647,257**	$ 546,856

Investments include guaranteed investment certificates bearing interest at rates ranging from 1.8% to 3.1% per annum (2025 - 2.25% to 3.1%), maturing between July 2026 through January 2027 (2025 - July 2025 through July 2026).

3. CAPITAL ASSETS

Capital assets consist of the following:

	2026			2025
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 379,119	$ -	$ 379,119	$ 379,119
Building	1,819,668	1,079,030	740,638	759,629
Furniture and equipment	1,785,617	1,089,542	696,075	635,761
Parking lot	298,505	256,659	41,846	46,495
Youth building	118,927	91,387	27,540	28,990
Computer equipment	142,893	134,460	8,433	10,015
	$ 4,544,729	$ 2,651,078	$ 1,893,651	$ 1,860,009

The Church does not hold title to the Church building and land on which it is situated since they were purchased on its behalf by The Eastern and Central Canadian District of the Christian and Missionary Alliance. On August 1, 1995 when the two districts separated, it was decided that church properties located in the geographical areas of The Eastern Canadian District as at this date would continue to be held by the Central District. On September 9, 2022, the title to the Church property was transferred from the Central District to the Eastern Canadian District. The cost of the Church's building and land are reflected on these financial statements as they are an integral part of the Church's operations. The cost of the Church's building and land are not reflected on the financial statements of the Eastern Canadian District.

4. DEFERRED CONTRIBUTIONS

The change in deferred contributions consists of the following:

	2026	2025
Camp Scholarship		
Balance - Beginning	$ 8,544	$ 11,540
Add: Contributions	-	-
Less: Revenue recognized during the year	1,505	2,996
Balance - Ending	$ 7,039	$ 8,544
Camp General		
Balance - Beginning	$ -	$ 4,885
Add: Contributions	27,200	-
Less: Revenue recognized during the year	-	4,885
Balance - Ending	$ 27,200	$ -
TOTAL DEFERRED CONTRIBUTIONS	$ 34,239	$ 8,544

5. INTERFUND TRANSFERS

During the year, the board approved transfers totaling $210,398 (2025 - $332,841) from the operating and property improvement funds to the property fund to cover capital asset purchases.

6. GOVERNMENT ASSISTANCE

During the year, the Church received the following government assistance:

	2026	2025
Ontario Anti-Hate Security and Prevention	$ 10,000	$ -
York Region grant	-	25,000
Ontario Trillium Foundation	-	1,800
	$ 10,000	$ 26,800

7. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Church is exposed to various risks through its financial instruments. The following analysis provides a summary of the Church's exposure to and concentrations of risk at June 30, 2026:

a) **Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Church is not exposed to significant credit risk.

b) **Liquidity Risk**

Liquidity risk is the risk that the Church will encounter difficulty in meeting obligations associated with financial liabilities. The Church is exposed to this risk mainly with respect to its accounts payable and accrued liabilities. The Church manages this risk by managing its working capital and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the prior year.

c) **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and price risk. The Church is not exposed to significant market risk.