

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

Financial Statements

Year Ended December 31, 2008

**THE ASSOCIATION CLASSIS ALBERTA NORTH OF THE CHRISTIAN REFORMED
CHURCH IN NORTH AMERICA
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Year Ended December 31, 2008**

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CHARTERED ACCOUNTANT

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AUDITOR'S REPORT


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

I have audited the statement of financial position of The Association Classis Alberta North Of The Christian Reformed Church in North America as at December 31, 2008 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta
February 10, 2009



CHARTERED ACCOUNTANT

**THE ASSOCIATION CLASSIS ALBERTA NORTH OF THE CHRISTIAN REFORMED
CHURCH IN NORTH AMERICA**
Statement of Financial Position
December 31, 2008

	2008	2007
ASSETS		
CURRENT		
Cash	\$ 244,148	\$ 193,159
Term deposits (Note 3)	103,000	103,000
Accounts receivable	1,936	1,357
	<u>349,084</u>	297,516
STUDENT LOANS RECEIVABLE (Note 4)	95,000	88,635
STUDENT LOANS RESERVE (Note 4)	(61,000)	(88,635)
EQUIPMENT (Note 5)	5,024	-
	<u>\$ 388,108</u>	<u>\$ 297,516</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 4,995	\$ -
Ministry shares payable	40,669	-
	<u>45,664</u>	-
NET ASSETS		
Invested in equipment	5,025	-
Unrestricted	337,419	297,516
	<u>342,444</u>	297,516
	<u>\$ 388,108</u>	<u>\$ 297,516</u>

APPROVED ON BEHALF OF THE EXECUTIVE COMMITTEE

_____ Chair

_____ Vice Chair

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

**Statement of Revenues and Expenditures
Year Ended December 31, 2008**

	2008	2007
Revenue		
Ministry shares	\$ 302,972	\$ 268,253
Cost sharing	23,601	42,790
Grants	17,380	12,000
Interest income	4,906	4,891
	<u>348,859</u>	<u>327,934</u>
Expenses		
Salaries, honorarium and benefits	148,854	168,515
Ministry grants	74,628	140,867
Meeting and travel costs	30,133	17,893
Conferences and training	25,185	6,692
Operating supplies and service	15,538	16,624
Professional fees	6,978	2,968
Insurance	1,777	1,910
Amortization	558	-
Recruiting and relocation	280	11,911
	<u>303,931</u>	<u>367,380</u>
Excess (deficiency) of revenue over expenses	\$ 44,928	\$ (39,446)

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

**Statement of Changes in Net Assets
Year Ended December 31, 2008**

	Invested in Equipment	Unrestricted	2008	2007
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ 297,516	\$ 297,516	\$ 336,962
Excess (deficiency) of revenues over expenses	-	44,928	44,928	(39,446)
Acquisition of equipment	5,583	(5,583)	-	-
Amortization of equipment	(558)	558	-	-
NET ASSETS - END OF YEAR	\$ 5,025	\$ 337,419	\$ 342,444	\$ 297,516

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

**Statement of Cash Flows
Year Ended December 31, 2008**

	2008	2007
CASH INFLOWS FROM OPERATING ACTIVITIES		
Cash received from churches for Classis ministry shares	\$ 302,972	\$ 268,253
Cash received from churches for Area College ministry shares	232,704	196,484
Cash received from others for cost sharing and grants	30,151	42,790
Cash received from Christian Reformed Home Missions	10,000	12,000
Cash received for interest	5,158	4,833
Cash received from churches for various causes	1,649	4,911
	<u>582,634</u>	<u>529,271</u>
Cash from operating activities		
CASH OUTFLOWS FOR OPERATING ACTIVITIES		
Cash paid to King's University College	192,037	196,484
Cash paid for salaries, benefits and honoraria	148,854	168,515
Cash paid for ministry grants	74,628	121,367
Cash paid to suppliers for materials and services	74,894	57,998
Cash paid for various causes	1,649	4,911
	<u>492,062</u>	<u>549,275</u>
Cash used by operating activities		
CASH OUTFLOWS FOR INVESTING ACTIVITIES		
Purchase of equipment	5,583	-
Advances of student loans	34,000	19,500
	<u>39,583</u>	<u>19,500</u>
Cash used by investing activities		
INCREASE (DECREASE) IN CASH	50,989	(39,504)
Cash - beginning of year	<u>296,159</u>	<u>335,663</u>
CASH - END OF YEAR	\$ 347,148	\$ 296,159
CASH CONSISTS OF:		
Cash	\$ 244,148	\$ 193,159
Term deposits	103,000	103,000
	<u>\$ 347,148</u>	<u>\$ 296,159</u>

**THE ASSOCIATION CLASSIS ALBERTA NORTH OF THE CHRISTIAN REFORMED
CHURCH IN NORTH AMERICA**
Notes to Financial Statements
Year Ended December 31, 2008

1. NATURE OF OPERATIONS

The Association Classis Alberta North of the Christian Reformed Church in North America is incorporated under the Societies Act of Alberta and is a registered charitable organization for purposes of the Income Tax Act (Canada) and, as such, is not liable for payment of income taxes.

The Association's principal purpose is to promote the teachings of the Holy Scriptures by actively encouraging and supporting the missional activities of its member churches and to engage in projects, missions and other interests which may be in common with the member churches.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized over their estimated useful lives at the following rates and methods:

Computer equipment	5 years	straight-line method
Audio visual equipment	5 years	straight-line method

The company regularly reviews its equipment to eliminate obsolete items. Government grants are treated as a reduction of equipment cost.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

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.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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. Such estimates include providing for amortization of property and equipment. Actual results could differ from these estimates.

3. TERM DEPOSITS

The term deposits bear interest from 2.85% to 3.20% and mature between August 12, 2009 and November 28, 2009.

**THE ASSOCIATION CLASSIS ALBERTA NORTH OF THE CHRISTIAN REFORMED
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Notes to Financial Statements

Year Ended December 31, 2008

4. STUDENT LOANS RECEIVABLE

The Association provides financial assistance to individuals who are preparing to enter into full-time ministry in the Christian Reformed Church. These student loans are recorded when advanced and the individuals sign loan agreements. When the individuals enter into full-time ministry in the Christian Reformed Church, the loans are forgiven and written off. An allowance is provided for loans that the Association considers to be uncollectible.

5. EQUIPMENT

	Cost	Accumulated amortization	2008 Net book value	2007 Net book value
Computer equipment	\$ 4,908	\$ 491	\$ 4,417	\$ -
Audio visual equipment	675	68	607	-
	\$ 5,583	\$ 559	\$ 5,024	\$ -

6. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, term deposits and accounts receivable. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant currency or credit risks. Term deposits are subject to an interest rate risk. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

7. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation adopted in the current year. These changes do not affect prior year earnings.

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

Schedule
For the Year Ended December 31, 2008

	Classis Services 2008	Pastor- Church Relations 2008	NADC 2008	Campus Ministry 2008	Classis Youth Ministry 2008	Student Fund 2008	Classis Home Missions 2008	Emmanuel Home Chaplain 2008	Classis Cuba 2008	Safe Church 2008	Total 2008	Total 2007
Revenue:												
Ministry shares	33,340	7,517	55,389	78,563	64,611	22,379	28,532	5,246	5,634	1,762	\$ 302,972	\$ 268,253
Cost sharing	2,113	7,400	14,087	-	-	-	-	-	-	-	23,601	42,790
Grants	-	4,880	-	10,000	-	-	2,500	-	-	-	17,380	12,000
Interest	289	19	1,284	695	1,028	591	666	-	138	195	4,906	4,891
	<u>35,743</u>	<u>19,816</u>	<u>70,760</u>	<u>89,258</u>	<u>65,638</u>	<u>22,970</u>	<u>31,699</u>	<u>5,246</u>	<u>5,772</u>	<u>1,957</u>	<u>348,859</u>	<u>327,934</u>
Expenses:												
Salaries, honoraria and benefits	7,880	-	16,060	68,314	56,601	-	-	-	-	-	148,854	168,515
Ministry grants	-	-	37,628	-	5,000	2,000	25,000	5,000	-	-	74,628	140,867
Meeting and travel costs	14,370	129	1,054	1,873	7,946	-	-	-	4,761	-	30,133	17,893
Conferences and training	-	17,100	120	2,933	3,876	-	-	-	-	1,158	25,185	6,692
Operating supplies and services	1,611	58	6,448	3,972	3,227	-	-	-	-	222	15,538	16,624
Professional fees	6,978	-	-	-	-	-	-	-	-	-	6,978	2,968
Insurance	1,177	-	300	300	-	-	-	-	-	-	1,777	1,910
Recruiting and relocation	-	280	-	-	-	-	-	-	-	-	280	11,911
Amortization	134	-	105	172	147	-	-	-	-	-	558	-
	<u>32,149</u>	<u>17,566</u>	<u>61,715</u>	<u>77,564</u>	<u>76,796</u>	<u>2,000</u>	<u>25,000</u>	<u>5,000</u>	<u>4,761</u>	<u>1,380</u>	<u>303,931</u>	<u>367,380</u>
Excess (deficiency) of revenue over expenses	\$ 3,593	\$ 2,251	\$ 9,046	\$ 11,694	-\$ 11,158	\$ 20,970	\$ 6,699	\$ 246	\$ 1,011	\$ 577	\$ 44,928	-\$ 39,446