

Financial Statements

Edmonton City Centre Church Corporation

December 31, 2024

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Independent Auditor's Report

To the Members of the Edmonton City Centre Church Corporation

Opinion

We have audited the financial statements of Edmonton City Centre Church Corporation ("the Organization"), which comprise the statement of financial position as at December 31, 2024, 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, the accompanying financial statements present fairly, in all material respects, the financial position of Edmonton City Centre Church Corporation as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Organization 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 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 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.

A handwritten signature in black ink that reads "Doane Grant Thornton LLP".

Edmonton, Canada
April 28, 2025

Chartered Professional Accountants

Edmonton City Centre Church Corporation

Statement of Financial Position

December 31
2023

2024

Assets

Current

Cash	\$	13,818,603	\$	14,487,190
Restricted cash (Note 7)		4,323,563		3,369,762
Short-term investments		377,706		312,043
Accounts receivable (Note 3)		1,829,488		1,241,500
Prepaid expenses and deposits		66,885		-
Long-lived asset held for sale (Note 6)		-		416,518
		<u>20,416,245</u>		<u>19,827,013</u>

Long-term investments (Note 4)		1,346,704		1,476,352
Capital assets (Note 6)		<u>10,824,551</u>		<u>10,138,497</u>

\$ 32,587,500 \$ 31,441,862

Liabilities

Current

Accounts payable and accrued liabilities	\$	1,568,832	\$	2,556,595
Funds held for others (Note 7)		4,323,563		3,369,762
Deferred contributions (Note 8)		2,545,767		1,834,285
Current portion of long-term debt (Note 9)		<u>886,347</u>		<u>248,338</u>
		<u>9,324,509</u>		<u>8,008,980</u>

Long-term debt (Note 9)		218,887		1,107,322
Deferred capital contributions (Note 10)		<u>5,736,177</u>		<u>6,115,496</u>
		<u>15,279,573</u>		<u>15,231,798</u>

Net assets

Unrestricted		5,083,956		3,953,822
Restricted (Note 15)		8,240,831		9,172,383
Investment in capital assets (Note 16)		<u>3,983,140</u>		<u>3,083,859</u>
		<u>17,307,927</u>		<u>16,210,064</u>
	\$	<u>32,587,500</u>	\$	<u>31,441,862</u>

Commitments and guarantees (Note 11)
Contingencies (Note 18)

On behalf of the Board:



Director



Director

See accompanying notes to the financial statements

Edmonton City Centre Church Corporation

Statement of Operations

Year Ended December 31

2024

2023

Revenues		
Contract income (Note 12)	\$ 24,290,373	\$ 23,900,948
Donations and grants (Note 17)	2,276,620	1,710,265
Rents and client fees	871,778	782,921
Interest	823,552	821,104
Cafe operations	456,117	303,595
Amortization of deferred capital contributions (Note 10)	379,319	152,339
Other	40,050	31,833
Management fees	5,802	68,471
	<u>29,143,611</u>	<u>27,771,476</u>
Expenditures		
Wages and benefits	17,983,465	17,478,583
Facility, office and other	4,987,544	5,294,300
Direct client costs	4,310,105	4,029,428
Amortization of capital assets	377,836	356,373
Professional fees	243,771	294,974
Cafe cost of sales	165,794	128,236
Mortgage interest	16,035	16,529
	<u>28,084,550</u>	<u>27,598,423</u>
Excess of revenues over expenditures before other items	<u>1,059,061</u>	<u>173,053</u>
Other items		
Inner City Youth Housing Project (Note 5)	-	(137,360)
Gain on disposal of capital assets (Note 6)	38,802	-
	<u>38,802</u>	<u>(137,360)</u>
Excess of revenues over expenditures	\$ <u>1,097,863</u>	\$ <u>35,693</u>

See accompanying notes to the financial statements

Edmonton City Centre Church Corporation

Statement of Changes in Net Assets

Year Ended December 31

	<u>Unrestricted</u>	<u>Restricted</u> (Note 15)	<u>Investment in capital assets</u> (Note 16)	<u>2024 Total</u>	<u>2023 Total</u>
Net assets, beginning of year	\$ 3,953,822	\$ 9,172,383	\$ 3,083,859	\$ 16,210,064	\$ 15,499,371
Excess (deficiency) of revenues over expenditures	1,057,578	-	40,285	1,097,863	35,693
Transfer from unrestricted fund to restricted fund	(75,000)	75,000	-	-	-
Transfer from restricted fund to unrestricted fund	195,046	(195,046)	-	-	-
Transfer from restricted fund to capital asset fund	-	(811,506)	811,506	-	-
Transfer from unrestricted fund to capital asset fund	(47,490)	-	47,490	-	-
Contribution of land (Note 5)	-	-	-	-	675,000
Net assets, end of year	\$ <u>5,083,956</u>	\$ <u>8,240,831</u>	\$ <u>3,983,140</u>	\$ <u>17,307,927</u>	\$ <u>16,210,064</u>

See accompanying notes to the financial statements

Edmonton City Centre Church Corporation

Statement of Cash Flows

Year Ended December 31

2024

2023

Increase (decrease) in cash

Operating			
Excess of revenues over expenditures	\$	1,097,863	\$ 35,693
Non-cash items:			
Amortization of capital assets		377,836	356,373
Amortization of deferred capital contributions		(379,319)	(152,339)
Gain on disposal of capital assets		(38,802)	-
Assumption of long-term debt (Note 5)		-	192,581
		<u>1,057,578</u>	<u>569,668</u>
Change in non-cash operating working capital:			
Accounts receivable		(587,988)	(497,008)
Prepaid expenses and deposits		(66,885)	-
Accounts payable and accrued liabilities		(987,763)	1,351,057
Deferred contributions		<u>711,482</u>	<u>205,132</u>
		<u>126,424</u>	<u>1,628,849</u>
Financing			
Capital contributions received		-	483,922
Repayment of long-term debt		(250,426)	(231,566)
		<u>(250,426)</u>	<u>252,356</u>
Investing			
Net redemption (purchase) of long-term investments		129,648	(68,136)
Proceeds on sale of capital assets		693,473	-
Acquisition of capital assets		(1,302,043)	(673,628)
Net (purchase) redemption of short-term investments		(65,663)	21,718
		<u>(544,585)</u>	<u>(720,046)</u>
Net (decrease) increase in cash		<u>(668,587)</u>	<u>1,161,159</u>
Cash, beginning of year		<u>14,487,190</u>	<u>13,326,031</u>
Cash, end of year	\$	<u>13,818,603</u>	\$ <u>14,487,190</u>

Supplemental cash flow information		<u>2024</u>	<u>2023</u>
Interest paid	\$	16,035	\$ 16,529
Interest received	\$	823,552	\$ 821,104

Non-cash transaction:

Contribution of land and building with a fair value of \$nil (2023 - \$1,500,000) (Note 5)

See accompanying notes to the financial statements

Edmonton City Centre Church Corporation

Notes to the Financial Statements

December 31, 2024

1. Purpose of the organization

Edmonton City Centre Church Corporation (operating as e4c) is incorporated under the Companies Act of the Province of Alberta, as a non-profit organization (the "Organization"). It is a registered Canadian charitable organization, and therefore, is not subject to income taxes.

The Organization exists to limit, alleviate and ultimately eliminate poverty. Through the expression of the Organization's values – courage, compassion, connection, commitment, the programs and services address the fundamental causes of vulnerability for children, youth, families, individuals and communities. The Organization currently focuses work in four areas: food security, housing and shelter, education and skill development, and community and connection.

2. Summary of significant accounting policies

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

Use of estimates and measurement uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from those estimates.

Significant estimates included in these financial statements are the amortization basis for capital assets, and valuation of allowance for doubtful accounts receivable.

Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Edmonton City Centre Church Corporation

Notes to the Financial Statements

December 31, 2024

2. Summary of significant accounting policies (cont'd)

Revenue recognition (cont'd)

Restricted contributions for operational purposes, including grants and donations, and restricted contract income are recognized as revenue in accordance with the contract, grant or donor agreements in the year in which the related expenses are incurred. Restricted contributions received for the purchase of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Restricted contributions for the purchase of capital assets that will not be amortized are recognized as a direct increase in the investment in capital asset fund. A liability to repay a restricted contribution with contingent repayment terms is accounted for in the period in which conditions arise that causes the restricted contribution to be repaid.

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income earned is deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income earned is recognized as revenue in the year earned.

Revenues relating to rent and client fees, other and Cafe operations are recognized as revenue once received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Cash

Cash is comprised of cash on hand, and bank balances including bank savings accounts, net of bank overdrafts and cashable term deposits.

Short-term investments

Short-term investments are comprised of term deposits with maturity of less than a year.

Long-term investments

Long-term investments are comprised of one-year term deposits renewed annually. These investments have been classified as long-term, based on contracts with Alberta Seniors, Community and Social Services, and the Muttart Foundation that require that the Organization hold fund replacement reserves for the buildings (Note 15).

Edmonton City Centre Church Corporation

Notes to the Financial Statements

December 31, 2024

2. Summary of significant accounting policies (cont'd)

Capital assets

Capital assets are recorded at cost less accumulated amortization. The capital assets not available for use are not amortized. Amortization is provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	2.5%
Building equipment	10%
Computer equipment	33%
Furniture and equipment	20%
Leaseholds	over the term of the lease
Motor vehicles	20%
Office equipment	10%

Impairment of long-lived assets

The Organization tests for impairment when events or changes in circumstances indicate the carrying amount of an item or class of capital assets may not be recoverable. Recoverability is determined by comparing the carrying amount of the asset to the undiscounted future cash flows expected from use and eventual disposition of the asset. In such situations, the asset is measured at its fair value and presented in the balance sheet at the lower of the fair value or carrying amount.

Long-lived assets held for sale

Long-lived assets are classified as held for sale when there is a commitment to sell and the sale is probable and is expected to be completed within one year. Long-lived assets classified as held for sale are measured at the lower of carrying amount or fair value less cost to sell. Long-lived assets will not be amortized while classified as held for sale and any expenses attributable to the assets will be accrued.

Contributed services

Volunteers assist the Organization in carrying out certain activities. Because of the difficulty of determining the fair value and the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

Contributed materials

The Organization receives contributions in the form of supplies or property. Contributed materials and property are recorded at fair market value as determined on the date contributed, if fair value can be reasonably determined.

Edmonton City Centre Church Corporation

Notes to the Financial Statements

December 31, 2024

2. Summary of significant accounting policies (cont'd)

Financial instruments

Initial measurement:

The Organization's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement:

At each reporting date, the Organization measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which must be measured at fair value. The Organization uses the effective interest method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost are cash, restricted cash, short term investments, accounts receivable, long term investments, accounts payable and accrued liabilities, and long-term debt. The carrying value of these financial instruments approximates their fair value due to the short-term nature, unless otherwise noted.

For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Organization determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Related party financial instruments:

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. Subsequent measurement is based on how the Association initially measured the instrument. The Association does not have any financial assets or financial liabilities in related party transactions measured at fair value.

Edmonton City Centre Church Corporation

Notes to the Financial Statements

December 31, 2024

3. Accounts receivable

Accounts receivable includes the following:

	<u>2024</u>	<u>2023</u>
Homeward Trust	\$ 473,202	\$ 218,992
Edmonton Public School	169,350	678,150
Canada Revenue Agency (GST)	310,650	141,638
Child & Family Services	250,938	-
Donations	367,639	-
Others	257,709	202,720
	<u>\$ 1,829,488</u>	<u>\$ 1,241,500</u>

4. Long-term investments

Long-term investments consist of externally and internally restricted term deposits held for major capital repairs on various properties (Note 16). These term deposits are one-year term deposits renewed annually. Use of the externally restricted funds requires approval by Alberta Seniors and Housing or the Muttart Foundation prior to the use of these funds. Internally restricted funds require approval by the Board of Directors of the Organization prior to the use of these funds.

Externally restricted funds

	<u>2024</u>	<u>2023</u>
Women's Emergency Accommodation Centre	\$ 326,158	\$ 312,580
Our Place	99,778	95,478
Sorensen Place	170,315	162,879
Meadows 1	37,477	35,845
Meadows 2	88,086	84,372
Alex Taylor School	69,767	253,785
Youth Housing and Innerways	98,047	98,047
	<u>\$ 889,628</u>	<u>\$ 1,042,986</u>

Internally restricted funds

	<u>2024</u>	<u>2023</u>
General	\$ 257,076	\$ 433,366
Lila Lee	200,000	-
	<u>457,076</u>	<u>433,366</u>
Total long term investments	<u>\$ 1,346,704</u>	<u>\$ 1,476,352</u>

Edmonton City Centre Church Corporation

Notes to the Financial Statements

December 31, 2024

5. Inner City Youth Housing Project (the "Project")

In 2022, the Project was owned equally by three not-for-profit organizations (the Organization, Bissell Centre, and Boyle Street Community Services, collectively the "Co-owners"), therefore the Organization had a 33% interest in the Project's assets, liabilities and net assets. The Organization, on behalf of the Co-owners, arranged for contracts and agreements with government agencies to provide the funding necessary to finance and operate five homes, which provide housing to high risk youths and transitional housing to adults.

In 2023, the Co-Owners entered into an agreement whereby the transfer and assignment of the property and assumption of all liabilities and obligations of the Project was made to the Organization. The transfer of the net assets of the Project was accounted for as a contribution to the Organization.

The Organization recognized the contribution as follows at June 1, 2023:

De-recognition of investment in Project:

Total assets	\$	(225,044)
Total liabilities and reserves		<u>87,684</u>
Net impact in Statement of Operations (included in Other items)	\$	<u>(137,360)</u>

Assignment of property and assumption of liabilities:

Land at fair value	\$	675,000
Buildings at fair value		825,000
Cash and investments at fair value		220,695
Long-term debt at fair value		<u>(192,581)</u>
Net assets acquired	\$	<u>1,528,114</u>

Contributed land is recognized direct to net assets and contributed buildings are recognized in deferred capital contributions. Contributed working capital has been recognized in donations and grant revenue.

Edmonton City Centre Church Corporation

Notes to the Financial Statements

December 31, 2024

6. Capital assets

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Land	\$ 1,991,521	\$ -	\$ 1,991,521	\$ 2,042,093
Buildings	15,148,225	(7,903,815)	7,244,411	7,714,198
Building equipment	2,090,812	(1,404,844)	685,928	269,862
Computer equipment	280,172	(188,988)	91,185	110,470
Furniture and equipment	32,281	(32,281)	-	-
Leaseholds	1,059,609	(1,059,609)	-	-
Motor vehicles	326,801	(326,801)	-	1,874
Office equipment	32,281	(32,281)	-	-
Projects under development	811,506	-	811,506	-
	<u>\$ 21,773,209</u>	<u>\$ (10,948,659)</u>	<u>\$ 10,824,551</u>	<u>\$ 10,138,497</u>

During the year, Bridgit's Place and Our Other Place were sold for a sale price of \$428,000 and \$301,000 respectively. At the time of listing, the assets were comprised of a cost of \$536,340 and \$425,734 respectively, which is inclusive of the original purchase price and improvements, and accumulated amortization of \$119,822 and \$187,581 respectively and a carrying value of \$416,518 and \$238,153 respectively. All unamortized contributions relating to the properties have been recognized as revenue in amortization of deferred capital contributions in 2024 (Note 10).

Projects under development pertains to construction work in progress costs incurred for project management, architecture and design costs for the Purpose-Built Building. If the organization does not secure financing for the build, these costs will be expensed.

7. Funds held for others

	2024	2023
Financial Management HUB participant funds held in trust	\$ 4,287,714	\$ 3,329,601
Tenant security deposits	<u>35,849</u>	<u>40,161</u>
	<u>\$ 4,323,563</u>	<u>\$ 3,369,762</u>

The funds held for others are recorded as restricted cash on the statement of financial position.

The Financial Management HUB program helps formerly homeless people and health care patients to manage their money, on a voluntary basis, and to increase their financial literacy and housing stability. The program holds funds on behalf of its participants.

Edmonton City Centre Church Corporation

Notes to the Financial Statements

December 31, 2024

8. Deferred contributions

Details of the changes in deferred contributions are as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 1,834,285	\$ 1,628,900
Grants received during the year	8,789,710	7,821,866
Amounts recognized as revenue	<u>(8,078,228)</u>	<u>(7,616,481)</u>
Balance, end of year	\$ <u>2,545,767</u>	\$ <u>1,834,285</u>

The deferred contributions include the following:

	<u>2024</u>	<u>2023</u>
Alberta Seniors, Community and Social Services	\$ <u>456,859</u>	\$ 411,895
Homeward Trust:		
Intensive Case Management Team	513,581	692,575
Financial Management HUB	381,780	146,123
Youth Housing First	131,676	158,286
Rapid Re-Housing	117,970	203,614
Safe Spaces	18,666	2,569
Homeward Trust sub-total	<u>1,163,673</u>	<u>1,203,167</u>
Others:		
Alberta Health Services	580,961	-
Public Health Agency of Canada	185,314	115,464
Edmonton Family & Community Support Services	56,889	28,049
United Way AB	54,507	-
Prosper Canada	29,589	-
Miscellaneous	17,975	75,710
	<u>925,235</u>	<u>219,223</u>
	\$ <u>2,545,767</u>	\$ <u>1,834,285</u>

Edmonton City Centre Church Corporation

Notes to the Financial Statements

December 31, 2024

9. Long-term debt

	<u>2024</u>	<u>2023</u>
Canadian Mortgage and Housing Corporation ("CMHC") mortgage, with a renewal date of December 1, 2027 payable in monthly blended instalments of \$2,219 with interest at 2.08% per annum. Secured by the collateral mortgage over land and building occupied by Our Place with a net book value of \$171,841.	\$ 77,519	\$ 102,309
CMHC mortgage, with a renewal date of October 1, 2025 payable in monthly blended instalments of \$3,894, with interest at 0.68% per annum. Secured by the collateral mortgage over land and building occupied by Sorensen Place with a net book value of \$203,878.	229,762	274,787
CMHC mortgage, with a renewal date of June 1, 2025 payable in monthly blended instalments of \$9,292, with interest at 0.76% per annum. Secured by the collateral mortgage over land and building occupied by the Women's Emergency Accommodation Centre with a net book value of \$874,000.	555,983	663,103
Muttart Foundation interest free loan maturing on July 1, 2027, payable in semi-annual instalments of \$4,000. Secured by the collateral mortgage over land and building occupied by Crossroads House with a net book value of \$160,131.	24,000	32,000
CMHC mortgage, with a renewal date of January 1, 2028 payable in monthly blended instalments of \$1,045, with interest at 3.12% per annum. Secured by the collateral mortgage over land and building occupied by Meadows 1 with a net book value of \$234,765 and general assignment of rents and revenues.	36,924	48,161
CMHC mortgage, with a renewal date of September 1, 2027, payable in monthly blended instalments of \$1,475, with interest at 2.02% per annum. Secured by the collateral mortgage over building and land occupied by Meadows 2 with a net book value of \$414,444 and general assignment of rents and revenues.	47,392	63,987
CMHC mortgage, with a renewal date of April 1, 2028, payable in monthly blended instalments of \$2,116, with interest at 4.07% per annum. Secured by the collateral mortgage over buildings and land in Edmonton, AB with a net book value of \$900,000.	79,360	101,161

Edmonton City Centre Church Corporation

Notes to the Financial Statements

December 31, 2024

9. Long-term debt (cont'd)

	2024	2023
CMHC mortgage, with a renewal date of February 1, 2028, payable in monthly blended instalments of \$1,498, with interest at 3.12% per annum. Secured by the collateral mortgage over buildings in Edmonton AB with a net book value of \$600,000.	54,294	70,152
	1,105,234	1,355,660
Less: current portion of long-term debt	(886,347)	(248,338)
	\$ 218,887	\$ 1,107,322

The principal portion of long-term debt due in each of the next four years and thereafter, is as follows:

2025	\$ 886,347
2026	103,486
2027	101,902
2028	13,499
	\$ 1,105,234

Edmonton City Centre Church Corporation

Notes to the Financial Statements

December 31, 2024

10. Deferred capital contributions

Details of the changes in deferred capital contributions are as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 6,115,496	\$ 4,958,913
Grants received during the year	-	483,922
Contributed buildings (Note 5)	-	825,000
Amounts recognized as revenue	<u>(379,319)</u>	<u>(152,339)</u>
Balance, end of year	\$ <u>5,736,177</u>	\$ <u>6,115,496</u>

Included in amounts recognized as revenue is \$155,694 (2023 - \$nil) and \$21,200 (2023 - \$nil) pertaining to unamortized contributions for Bridgit's Place and Our Other Place respectively. These were recognized in full as the properties were sold during the year (Note 6).

11. Commitments and guarantees

- i) The Organization signed an agreement to purchase electricity for a five-year term, expiring October 31, 2025, at a fixed rate.
- ii) The Organization signed an agreement to purchase natural gas for a three-year term, expiring December 31, 2025, at a fixed rate.
- iii) The Organization has commitments related to the operation of various programs in leased space. Future expected lease commitments are as follows:

2025	\$40,440
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Notes to the Financial Statements

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12. Contract income

Included in contract income are contributions received from the following sources:

	<u>2024</u>	<u>2023</u>
Federal government	\$ 1,085,346	\$ 1,591,624
Provincial government	16,990,277	17,002,622
Municipal government	<u>630,548</u>	<u>623,339</u>
	<u>18,706,171</u>	<u>19,217,585</u>
Non-government		
Homeward Trust		
Intensive Case Management Team	1,560,308	863,724
Financial Management HUB	551,218	833,288
Youth Housing First	545,324	380,198
Rapid Re-Housing	449,230	308,792
Safe Spaces	251,569	268,313
Supported Referrals	<u>28,901</u>	<u>4,241</u>
	<u>3,386,550</u>	<u>2,658,556</u>
United Way	246,865	284,615
Edmonton Public School Board	1,696,000	1,545,067
Others	<u>254,787</u>	<u>195,125</u>
	<u>2,197,652</u>	<u>2,024,807</u>
	\$ <u>24,290,373</u>	\$ <u>23,900,948</u>

During the year, the Organization received \$604,413 (2023 - \$576,364) from Edmonton Family and Community Support Services (FCSS), included in Municipal government revenue above.

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Notes to the Financial Statements

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13. Endowment fund income

During the year, the Organization earned \$34,327 (2023 - \$14,681) in re-invested income from endowment funds held and administered by the Edmonton Community Foundation. The Organization is the specified recipient of the interest income earned on these funds however has no access to the principal amount of the investment. Any money received is included in the Statement of Operations to be used at the discretion of the Organization. As of December 31, 2024, the balance of the endowment funds that the Organization is specified as a recipient of the income earned is \$261,857 (2023 - \$237,504).

14. Allocated expenditures

The Organization provides administrative services to many of its programs. The fees for these services are recorded as expenditures to the related restricted programs.

The administration fees are based on funder approved budgets and size of programs. The fees range from 6% to 17% of total program revenues. Administrative services include accounting, human resources, information technology, facility management, communications and development, planning and evaluation, leadership and governance.

15. Internally restricted funds

Included in restricted funds are replacement reserves, fund balances for individual programs and reserves restricted for various purposes.

	2024	2023
Operating reserve	\$ 2,779,173	\$ 3,911,055
Replacement reserves (Note 4)	1,346,704	1,476,352
Trust Fund (Note 19)	185,314	333,218
Program funds	3,929,640	3,451,758
	<u>\$ 8,240,831</u>	<u>\$ 9,172,383</u>

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15. Internally restricted funds (cont'd)

The replacement reserves are externally and internally restricted for use towards major capital repairs. During the year, \$347,296 (2023 - \$277,201) was transferred from various programs within the restricted fund into this reserve and as well \$75,000 (2023 - \$25,000) transferred from the unrestricted fund into this reserve. Of the restricted amounts included in the replacement reserves, \$457,075 (2023 - \$433,365) has been internally restricted by the Board of Directors for major capital repairs.

Regarding the operating reserve, during the current year, the Organization transferred \$1,693,396 (2023 - \$764,162) from this reserve to be used for digital transformation and exploration of a new purpose-built facility.

16. Investment in capital assets

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ <u>3,083,859</u>	\$ <u>2,383,860</u>
Assumption of long-term debt (Note 5)	-	(192,581)
Gain on disposal of capital assets	38,802	-
Amortization of capital assets	(377,836)	(356,373)
Amortization of deferred capital contributions	<u>379,319</u>	<u>152,339</u>
Deficiency of expenses over revenues	<u>40,285</u>	<u>(396,615)</u>
Other items:		
Net acquisition of capital assets	1,302,043	673,629
Contribution of land (Note 5)	-	675,000
Proceeds on sale of capital assets	(693,473)	-
Repayment of long-term debt	250,426	231,907
Receipt of capital contributions	<u>-</u>	<u>(483,922)</u>
Increase in net assets invested in capital assets	<u>858,996</u>	<u>1,096,614</u>
Balance, end of year	\$ <u>3,983,140</u>	\$ <u>3,083,859</u>

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Notes to the Financial Statements

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16. Investment in capital assets (cont'd)

Current year's total acquisition of capital assets was \$1,302,043 (2023 - \$673,629), of which \$811,506 (2023 - \$219,000) was supported from the operating reserve in internally restricted funds and \$490,537 (2023 - \$454,629) from internally restricted funds. The acquisitions include Purpose Built Building Construction Work in Progress of \$811,506, Women's Emergency Accommodation Centre (WEAC) improvements of \$331,204; Holmes Place improvements of \$26,357; and Meadows improvements of \$22,071.

17. Donations and grants

	<u>2024</u>	<u>2023</u>
Donations	\$ 1,334,059	\$ 871,793
Grants	942,560	821,917
Fundraising events	<u>-</u>	<u>16,555</u>
Total	\$ <u>2,276,620</u>	\$ <u>1,710,265</u>

18. Contingencies

On October 1, 2013, the Organization entered into a funding agreement with Homeward Trust to receive \$241,905 for financing renovations at Brigid's Place. As a term of the agreement, if housing services at this location are discontinued at any time within a sixteen year term from August 29, 2014, the funder may request repayment of all or a portion of the contribution calculated on a decreasing scale over the sixteen year term. During the year, in conjunction with the sale of Brigid's Place (Note 6), the Organization was released of this requirement by Homeward Trust.

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Notes to the Financial Statements

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19. Collaborative projects

Included in the financial statements of the Organization are the results of operating several collaborative projects where the Organization is acting in the role of fiscal agent. These projects have been accounted for as controlled organizations and the financial position and results of operations have been consolidated in the financial statements. Funds associated with these projects have been set aside as Trust Funds (Note 15). Descriptions of the major projects are as follows:

Edmonton Head Start

Edmonton Head Start is a project that is co-ordinated by the Organization to deliver Head Start programming by 11 not-for-profit organizations; ABC Head Start Society, Alder Academy and the Organization, across ten locations in the City of Edmonton. The three participant organizations in the project have a common mission to prepare children for a successful educational experience in partnership with their family and community.

Funding to the project is provided from the Public Health Agency of Canada through a Contribution Agreement. The Contribution Agreement names the Organization as the Sponsoring Organization, where ultimate responsibility to implement the project's operating budget and to ensure that programs are fulfilling their obligations to the funder and to the community rests with the Organization. The Organization guarantees all liabilities of the collaboration.

Allies for Youth Connections (A4YC)

The Allies for Youth Conference brings together youth, service providers, researchers, and experts to focus on the growing population of youth with increasingly complex needs, who may be involved with gangs, struggling with mental illness and addictions, sexually exploited and/or chronically homeless. The Conference aims to build understanding, skill and resources to address these specialized needs with emerging knowledge and methodology such as: harm reduction, attachment theory, trauma and brain development, relationship-based practice, and resiliency/strength-based approaches.

Since 2013, the Conference has been organized by an interagency steering committee with staff from Alberta Children and Family Services, Chimo, Bent Arrow, Seniors, Community and Social Services, YMCA, The Family Centre, Boyle Street Community Services, e4c, Edmonton Police Services, and MacEwan University. e4c acts as the fiscal agent for the Conference.

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20. Fundraising activities

The Organization did not undertake any fundraising activities in 2024 (2023 - \$13,914).

Total donations receipted for income tax purposes in the fiscal year 2024 were \$535,413 (2023 - \$253,547).

21. United Way funding

United Way of the Alberta Capital Region ("United Way") provided funding to the Organization in the amount of \$700,952 (2023 - \$788,702). Beginning in October 2024, United Way is investing in e4c through a 'Front-line Agency' Funding model which allows e4c to direct funding to where it is needed most while remaining aligned with United Way's core focus areas of Strengthening Mental Wellbeing, Eliminating Barriers to Educational Success and Empowering Financial Security.
