

Financial Statements of

EDMONTON NEWCOMER CENTRE

Year ended March 31, 2025

EDMONTON NEWCOMER CENTRE

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations established by the Chartered Professional Accountants of Canada. They necessarily include some amounts that are based on the best estimates and judgements of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

Metrix Group LLP, Chartered Professional Accountants, have been appointed by the Centre's Members to express an opinion on the Centre's financial statements.

Edmonton, Alberta

May 27 2025

Original Signed By

Laurie Hauer, Acting Executive Director

EDMONTON NEWCOMER CENTRE

Statement of Financial Position

March 31 2025

	2025	2024
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,078,864	\$ 4,372,866
Accounts receivable (Note 2)	1,668,241	579,276
Investments (Note 3)	207,584	196,087
Prepaid expenses	222,217	371,217
	<u>5,176,906</u>	<u>5,519,445</u>
Endowment investments (Note 3)	20,913	20,913
Capital assets (Note 4)	6,695,464	7,043,072
	<u>\$ 11,893,283</u>	<u>\$ 12,583,431</u>
LIABILITIES and NET ASSETS		
Current Liabilities:		
Accounts payable and accrued liabilities (Note 5)	\$ 1,184,017	\$ 815,096
Deferred contributions - operations (Note 6)	2,337,701	3,824,672
Current portion of long term debt (Note 9)	101,698	123,672
Current portion of deferred lease inducements (Note 7)	354,366	354,366
	<u>3,977,782</u>	<u>5,117,806</u>
Deferred contributions - capital assets (Note 8)	357,334	290,237
Long term debt (Note 9)	3,452,112	3,538,143
Deferred lease inducements (Note 7)	1,161,985	1,516,387
	<u>8,949,213</u>	<u>10,462,573</u>
Net Assets:		
Externally restricted (Notes 10)	153,773	153,773
Endowment (Note 10)	20,913	20,913
Unrestricted	2,769,384	1,946,172
	<u>2,944,070</u>	<u>2,120,858</u>
Contingencies (Note 11)		
Contractual obligations (Note 12)		
	<u>\$ 11,893,283</u>	<u>\$ 12,583,431</u>

See accompanying notes to financial statements.

On behalf of the Board:

Original Signed by
Harman Singh Kandola
Board Chair

Original Signed by
Bilal Abdu CPA CA
Treasurer

EDMONTON NEWCOMER CENTRE

Statement of Operations

For the period ending March 31, 2025

	2025	2024
Revenue:		
Grants (Note 13)	\$ 21,085,807	\$ 17,613,500
Donations	858,392	817,087
Investment income	165,963	158,285
Other income	15,967	23,606
Rent	10,274	23,911
Course Fees	-	3,226
	<u>22,136,403</u>	<u>18,639,615</u>
Expenses:		
Salaries, wages and benefits	13,841,652	12,750,634
Contract services	3,643,976	1,613,529
Rent, utilities and maintenance	2,061,664	1,860,832
Resources	674,413	673,551
Administrative and support expenses (Schedule 1)	439,287	482,817
Interest on long term debt and bank charges	179,739	137,550
Supplies, repairs and maintenance	121,655	168,387
Bad debts	73,167	-
	<u>21,035,553</u>	<u>17,687,301</u>
Excess of revenue over expense before other non cash items	<u>1,100,850</u>	<u>952,314</u>
Other non cash items:		
Amortization of deferred lease inducements	246,840	246,840
Amortization of deferred contributions - capital assets	24,103	20,631
Amortization of capital assets	(548,581)	(528,880)
	<u>(277,638)</u>	<u>(261,409)</u>
Excess of revenue over expenses	<u>\$ 823,212</u>	<u>\$ 690,906</u>

See accompanying notes to financial statements.

EDMONTON NEWCOMER CENTRE

Statement of Changes in Net Assets

March 31, 2025

	Externally Restricted (Note 10)	Endowments (Note 10)	Unrestricted	2024	2023
Balance, beginning of year	\$ 153,773	\$ 20,913	\$ 1,946,172	\$ 2,120,858	\$ 1,429,952
Excess of revenue over expenses			823,212	823,212	690,906
Balance, end of year	<u>\$ 153,773</u>	<u>\$ 20,913</u>	<u>\$ 2,769,384</u>	<u>\$ 2,944,070</u>	<u>\$ 2,120,858</u>

See accompanying notes to financial statements.

EDMONTON NEWCOMER CENTRE

Statement of Cash Flow

March 31, 2025

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 823,212	\$ 690,906
Items not involving cash:		
Amortization of deferred lease inducements	(246,840)	(246,840)
Amortization of rent free fixturing period	(107,562)	(107,418)
Amortization of deferred contributions - capital assets	(24,103)	(20,631)
Amortization of capital assets	548,581	528,880
Unrealized loss (gain) in investments	(11,497)	(8,452)
	<u>981,791</u>	<u>836,445</u>
Changes in non-cash operating working capital:		
Accounts receivable	(1,088,965)	(217,768)
Prepaid expenses	149,000	65,585
Accounts payable and accrued liabilities	368,921	(169,615)
Deferred contributions - operations	(1,486,971)	832,077
	<u>(2,058,015)</u>	<u>510,279</u>
Financing activities:		
Repayment of long term debt	(108,005)	(286,847)
Deferred contributions - capital assets	91,200	125,000
	<u>(16,805)</u>	<u>(161,847)</u>
Investing activities:		
Purchase of capital assets	(200,973)	(140,262)
	<u>(200,973)</u>	<u>(140,262)</u>
(Decrease) increase in cash	(1,294,002)	1,044,615
Cash and cash equivalents, beginning of year	4,372,866	3,328,251
Cash and cash equivalents, end of year	<u>3,078,864</u>	<u>4,372,866</u>

See accompanying notes to financial statements.

EDMONTON NEWCOMER CENTRE

Notes to Financial Statements

Year ended March 31, 2025

Nature of operations:

The Edmonton Newcomer Centre (the "Centre") is incorporated under the Societies Act of the Province of Alberta as a non-profit organization. Its purpose is to provide settlement assistance to new Canadians. The Centre is also a registered charity and, therefore, is exempt from income tax.

Effective December 12, 2023, The Centre changed its legal name from Edmonton Mennonite Centre for Newcomers to Edmonton Newcomer Centre.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Centre's significant accounting policies are as follows:

(a) Revenue recognition:

The Centre follows the deferral method of accounting for contributions.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Restricted contributions for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital asset. 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. Endowment contributions are recognized as direct increases in net assets.

Unrestricted investment income is recognized as revenue when earned. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Investment income earned on endowment funds is recorded as a direct increase in net assets.

Course fee revenue is recognized on a straight-line basis over the length of the course.

The Centre applies for financial assistance under available government programs. Government assistance is recognized as revenue in the year in which the related expenses are incurred.

(b) Cash and cash equivalents:

Cash and cash equivalents include items that are readily convertible to known amounts of cash, subject to an insignificant risk of change in value, have a maturity of 90 days or less at acquisition, and are held for the purpose of meeting short-term cash commitments rather than for investing.

EDMONTON NEWCOMER CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2025

1. Significant accounting policies (continued):

(c) Capital assets:

Purchased capital assets are stated at cost, less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are amortized over the estimated useful life of the asset or over the lease term, as appropriate.

Amortization is provided for on a straight-line basis over the following useful lives:

Asset	Rate
Buildings	30 years
Office furniture and computer equipment	3 - 5 years
Furniture and fixtures	5 years
Leasehold improvements	Term of the lease
Vehicles	5 years

The carrying amount of capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

(d) Leases and tenant inducements:

Leases are classified as capital or operating leases. A lease that transfers substantially all the benefits and risks incidental to ownership is classified as a capital lease. All other leases are accounted for as operating leases, wherein rental payments are expensed on a straight-line basis.

Tenant inducements are recognized as revenue or as a reduction in rent expense on a straight-line basis over the term of the related lease.

(e) Contributed services:

Volunteers contribute a significant amount of time each year to assist the Centre in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

EDMONTON NEWCOMER CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2025

1. Significant accounting policies (continued):

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Centre determines if there is significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Centre expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(g) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Items subject to such estimates includes allowances for doubtful accounts and amortization rates and methods for amortization expense of capital assets. Actual results could differ from those estimates.

EDMONTON NEWCOMER CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2025

2. Accounts receivable:

	2025	2024
Program funding grants	1,434,902	427,516
Goods and services tax rebate	102,459	79,275
Tenant Improvement Allowance	91,200	-
Other	39,680	72,485
	<u>\$ 1,668,241</u>	<u>\$579,276</u>

3. Investments:

	2025	2024
Mutual funds	\$ 69,722	\$ 64,782
Guaranteed investment certificates	<u>158,775</u>	<u>152,218</u>
	228,497	217,000
Less: Endowment investments	<u>(20,913)</u>	<u>(20,913)</u>
	<u>\$ 207,584</u>	<u>\$ 196,087</u>

As at March 31, 2025, the cost of the mutual funds were \$ 51,079 (2024 \$48,616).

The guaranteed investment certificate bears interest at 2.65% (2024 5.00%) with a maturity date of September 8, 2025, and is held as security for an irrevocable letter of guarantee (Note 11).

Unrealized gains on the mutual funds in the amount of \$4,940 (2024 - \$8,452) are included in investment income.

EDMONTON NEWCOMER CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2025

4. Capital assets:

	Cost	Accumulated amortization	Net Book Value	
			2025	2024
Buildings	\$ 6,563,696	\$ 1,127,914	\$ 5,435,782	\$ 5,568,368
Office and computer equipment	1,084,144	1,068,010	16,134	26,416
Furniture and fixtures	351,809	303,274	48,535	-
Leasehold improvements	2,988,870	1,793,857	1,195,013	1,448,288
Vehicles	22,891	22,891	-	-
	<u>\$ 11,011,410</u>	<u>\$ 4,315,946</u>	<u>\$ 6,695,464</u>	<u>\$ 7,043,072</u>

5. Accounts payable and accrued liabilities:

	2025	2024
Trade payables	\$ 522,137	\$ 332,554
Accrued vacation liability	341,380	340,804
Other accrued liabilities	293,239	131,525
Payroll related liabilities	24,298	-
Grants repayable	-	7,500
Goods and Services Tax Payable	2,963	2,713
	<u>\$ 1,184,017</u>	<u>\$ 815,096</u>

EDMONTON NEWCOMER CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2025

6. Deferred contributions - operations:

Deferred contributions - operations comprise unspent externally restricted program funding that is related to a future period. Changes in the deferred contribution balances are as follows:

	2025	2024
Balance, beginning of the year	3,824,672	2,992,595
Add: Contributions received	14,709,027	16,671,058
Less:		
Amounts recognized as revenue	(16,026,301)	(15,831,481)
Amounts repayable	(169,698)	(7,500)
Balance, end of year	<u>2,337,701</u>	<u>3,824,672</u>

The balance is comprised of following:

Provincial grants	1,131,170	1,284,100
Other grants and donations	856,590	1,410,143
Municipal grants	309,298	64,280
Federal grants	<u>40,643</u>	<u>1,066,149</u>
	<u>2,337,701</u>	<u>3,824,672</u>

7. Deferred lease inducements:

	2025	2024
Balance, beginning of the year	\$ 1,870,753	\$ 2,225,010
Amortization of rent free fixturing period	(107,562)	(107,417)
Amortization of deferred lease inducements	<u>(246,840)</u>	<u>(246,840)</u>
Deferred lease inducements	1,516,351	1,870,753
Less:		
Current portion of deferred lease inducements	<u>(354,366)</u>	<u>(354,366)</u>
Balance, end of year	<u>\$ 1,161,985</u>	<u>\$ 1,516,387</u>

EDMONTON NEWCOMER CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2025

8. Deferred contributions - capital assets:

Deferred contributions - capital assets represent contributed capitals assets and restricted contributions with which some of the Centre's capital assets were purchased. The changes in the deferred contributions balance for the year are as follows:

	2025	2024
Balance, beginning of the year	\$ 290,237	\$ 185,868
Contributions received	91,200	125,000
Amounts recognized as revenue	(24,103)	(20,631)
Balance, end of year	<u>\$ 357,334</u>	<u>\$ 290,237</u>

EDMONTON NEWCOMER CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2025

9. Long term debt:

	2025	2024
Loan payable to RBC, bearing interest at 5.83% repayable in blended monthly payments of \$25,520, maturing August 9, 2025	\$ 3,553,810	\$ 3,661,815
Less current portion of long term debt	(101,698)	(123,672)
	<u>\$ 3,452,112</u>	<u>\$ 3,538,143</u>

The principal portion of the long term debt, based on the terms of the agreement in effect at March 31, 2025, are as follows:

2026	101,698
2027	107,787
2028	113,722
2029	121,051
2030	128,302
Thereafter	2,981,250

Interest on the debt facilities of \$ 173,255 (2024 - \$128,937) is included in interest and bank charges on the statement of operations.

The loan payable to RBC is secured by a general security agreement constituting a first ranking security interest in the personal property of the Centre and is subject to certain financial covenants.

In addition to the above, the Centre has established a Revolving Demand Facility with a maximum balance of \$500,000, bearing interest at prime plus 0.73%. The authorized overdraft has not been drawn upon at March 31, 2025.

EDMONTON NEWCOMER CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2025

10. Restrictions on net assets:

a) Endowment

Net assets restricted for endowment purposes represent the Anne Falk Memorial Endowment Fund. These net assets are subject to externally imposed restrictions stipulating that the resources be maintained permanently. Investment income on this amount is externally restricted for bursary purposes. Investments in the amount of \$20,913 (2024 - \$20,913) have been restricted as they are not available for current purposes.

b) Externally restricted

The Centre has externally restricted net assets of \$153,773 (2024 - \$153,773) related to the guarantee as disclosed in note 11.

11. Contingencies:

The Centre has established an irrevocable letter of guarantee with its financial institution for up to \$149,600 (2024 - \$149,600).

As at March 31, 2025, the Centre has an irrevocable letter of guarantee issued in the amount of \$149,600 (2024 - \$149,600), relating to programs funded by Alberta Human Services. The letter of guarantee is secured by a General Security Agreement and an assigned guaranteed investment certificate in the amount of \$149,600 (2024 - \$149,600). Alberta Human Services may exercise its right to draw on this letter of guarantee if the Centre fails to provide the educational program for which it has been approved, to follow the Skills Development program policies, or to repay tuition owed to Alberta Human Services.

12. Contractual obligations:

The Centre has entered into leases for office space and equipment at its various locations. The Centre is also responsible for its share of operational costs related to the respective leases. These costs are not fixed within the lease and are subject to change on a year to year basis. The Centre is required to make annual base rent and lease payments as follows:

2026	1,100,442
2027	1,100,442
2028	1,058,733
2029	1,010,661
2030	926,440

EDMONTON NEWCOMER CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2025

13. Grants:

	2025	2024
Federal government	\$ 15,235,820	\$ 11,873,512
Provincial government	4,506,803	4,048,324
Other foundations and organizations	913,460	1,332,819
Municipal government	429,724	358,847
	<u>\$ 21,085,807</u>	<u>\$ 17,613,500</u>

14. Financial Risks:

It is managements' opinion that the Centre is not exposed to significant credit, interest, other price risk, and liquidity risk arising from its financial instruments. The following analysis provides information about the Centre's risk exposure and concentration.

(a) Credit risk:

The Centre is subject to credit risk with respect to its receivables. Management monitors these accounts regularly and is reasonably assured that the Centre is not exposed to significant credit risk. The significant portion of the Centre's receivables are from the Governments of Canada and Alberta which reduces the Centre's exposure to credit risk.

(b) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Center is not exposed to significant interest rate risk as its investments in guaranteed investment certificates and its long-term debt bear fixed rates of interest.

(c) Other price risk:

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Centre is exposed to other price risk on its investments in mutual funds.

(d) Liquidity risk:

Liquidity risk is the risk that the Centre cannot meet a demand for cash or fund its obligations as they come due. the Centre is exposed to this risk mainly in respect to its receipt of grant funds and other related sources and expects to continue to meet future requirements through these revenue sources. The Centre mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting.

EDMONTON NEWCOMER CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2025

15. Economic dependence:

The Centre's primary source of revenue is grant funding from the Federal and Provincial governments. The Centre's ability to continue to provide the programs and services these grants fund is dependent on this external funding.

16. Fundraising:

The Centre's gross contributions from fund raising activities per the Charitable Fund-Raising Act of Alberta includes donations and grants as recorded on the statement of operation.

The Centre did not have any separate distributions greater to or equal to 10% of the gross contributions received.

Total remuneration to employees involved in fund raising activities during the year was \$157,325 (2024 - \$92,450).

EDMONTON NEWCOMER CENTRE

Schedule 1 - Administrative and Support Expenses

Year ended March 31, 2025

	2025	2024
Service charges	\$ 54,104	\$ 50,070
Travel costs	53,782	67,928
Insurance	49,686	45,967
Professional development	47,823	74,061
Telephone	47,793	45,093
Office and general	38,763	12,693
Board	38,578	14,961
Staff and volunteers	32,706	34,447
Professional fees	23,918	80,707
Advertising	18,638	25,155
Dues and memberships	17,781	13,874
Printing and photocopy	15,718	17,864
	<u>\$ 439,287</u>	<u>\$ 482,817</u>

EDMONTON NEWCOMER CENTRE

Schedule 2 - Program revenues and expenses

Year ended March 31, 2025

Pathways to Health Connections			
		2025	2024
Revenue:			
City of Edmonton grant	\$	178,796	\$ 213,016
Expenses:			
Salaries, wages and benefits		147,084	177,875
General administration		16,110	21,466
Supplies		5,073	4,320
Rent		10,529	9,355
		<u>178,796</u>	<u>213,016</u>
Excess of revenue over expenses	\$	<u>-</u>	<u>\$ -</u>

EDMONTON NEWCOMER CENTRE

Schedule 3 - Program revenues and expenses

Year ended March 31, 2025

Accessibility and Useability of Edmonton Resources for Immigrant and Refugee Families with Neurodiverse Children

	2025	2024
Revenue:		
City of Edmonton grant	\$ 38,050	\$ 45,391
Expenses:		
Salaries, wages and benefits	9,724	14,523
General administration	4,019	4,907
Supplies	19,594	21,560
Rent	4,713	4,401
	<u>38,050</u>	<u>45,391</u>
Excess of revenue over expenses	<u>\$ -</u>	<u>\$ -</u>

EDMONTON NEWCOMER CENTRE

Schedule 4 - Program revenues and expenses

Year ended March 31, 2025

Seniors Coordinated Outreach Program			
	2025	2024	
Revenue:			
City of Edmonton FCSS grant	\$ 64,535	\$ 41,794	
Expenses:			
Salaries, wages and benefits	54,057	34,194	
General administration	5,641	4,179	
Capital expenses	1,149	2,704	
Materials and supplies	700	106	
Occupancy expenses	2,512	341	
Travel and training	476	270	
	<u>64,535</u>	<u>41,794</u>	
Excess of revenue over expenses	<u>\$ -</u>	<u>\$ -</u>	