Financial Statements

enCompass Community Safety Agency Society
(formerly Edmonton John Howard Society)

March 31, 2025

Contents

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enCompass Community Safety Agency Society
(formerly Edmonton John Howard Society)
Statement of Financial Position

Year Ended March 31		**2025**		2024
Assets				
Current				
Cash and cash equivalents (Note 3)	**$**	**1,932,466**	$	1,611,653
Receivables		**948,264**		754,741
Prepaids and deposits		**217,198**		106,770
		3,097,928		2,473,164
Capital assets (Note 4)		**1,656,268**		1,760,450
Intangible assets (Note 5)		**166,050**		206,313
		1,822,318		1,966,763
	$	**4,920,246**	$	4,439,927

Liabilities				
Current				
Payables and accruals	**$**	**363,415**	$	181,494
Deferred contributions - operations (Note 6)		**2,173,099**		1,811,220
		2,536,514		1,992,714
Deferred contributions - capital assets (Note 7)		**796,001**		839,207
		3,332,515		2,831,921
Net Assets				
Internally restricted by board policy (Note 10)		**565,013**		484,052
Invested in capital assets		**1,022,718**		1,123,954
		1,587,731		1,608,006
	$	**4,920,246**	$	4,439,927

On behalf of the Board

_________________________ Director

_________________________ Director

See accompanying notes to the financial statements

enCompass Community Safety Agency Society
(formerly Edmonton John Howard Society)
Statement of Revenues and Expenditures

March 31		**2025**		2024
Revenues				
Correctional Service Canada	**$**	**4,449,982**	$	4,369,904
Homeward Trust Edmonton		**2,400,221**		1,933,272
Recovery Alberta		**1,494,042**		1,467,595
Alberta Public Safety and Emergency Services		**1,256,524**		981,383
Other (Note 8)		**737,174**		675,526
Alberta Justice		**721,371**		680,320
Alberta Children & Family Services		**513,550**		453,226
Project Grants		**391,061**		37,591
John Howard Society of Canada (CBSA)		**338,611**		275,622
Edmonton Police Service		**226,221**		127,500
United Way, Alberta Capital Region		**150,000**		200,360
City of Edmonton		**108,678**		-
Amortization of deferred contributions capital assets (Note 7)		**108,383**		103,791
REACH Edmonton Council		**93,992**		103,959
		12,989,810		11,410,049
Expenditures				
Salaries and benefits		**8,655,077**		7,472,629
Premises		**1,428,173**		1,912,216
Financial assistance		**598,364**		352,162
Professional and consulting fees		**586,749**		307,797
Food services		**468,755**		459,394
Office		**462,076**		381,701
Travel and meetings		**337,482**		198,472
Amortization		**209,619**		213,727
Rent-other		**153,750**		137,050
Service charges		**94,807**		65,720
Provincial office		**15,233**		8,663
		13,010,085		11,509,531
Deficiency of revenues over expenditures	**$**	**(20,275)**	$	(99,482)

See accompanying notes to the financial statements

enCompass Community Safety Agency Society
(formerly Edmonton John Howard Society)
Statement of Changes in Net Assets
Year ended March 31, 2025

	Unrestricted	Internally Restricted by Board policy	Invested in Capital assets	**2025 Total**	2024 Total
Net assets, beginning of year	$ -	$ 484,052	$ 1,123,954	**$ 1,608,006**	$ 1,707,488
(Deficiency) excess of revenues over expenditures	80,961	-	(101,236)	**(20,275)**	(99,482)
Transfer to internally restricted by board policy (Note 10)	(80,961)	80,961	-	**-**	-
Net assets, end of year	**$ -**	**$ 565,013**	**$ 1,022,718**	**$ 1,587,731**	**$ 1,608,006**

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See accompanying notes to the financial statements

enCompass Community Safety Agency Society
(formerly Edmonton John Howard Society)
Statement of Cash Flows

Year Ended March 31		2025		2024
Increase in cash and cash equivalents				
Operations				
Deficiency of revenues over expenditures	$	**(20,275)**	$	(99,482)
Amortization		**209,619**		213,727
Amortization of deferred contributions – capital assets		**(108,383)**		(103,791)
		80,961		10,454
Changes in non-cash operating working capital:				
Receivables		**(193,523)**		(38,127)
Prepaid and deposits		**(110,428)**		69,008
Payables and accruals		**181,924**		49,092
Deferred contributions - operations		**361,879**		591,652
		320,813		682,079
Investing				
Purchase of capital assets		**(65,177)**		(106,653)
Deferred contributions – capital		**65,177**		106,653
		-		-
Net increase in cash and cash equivalents		**320,813**		682,079
Cash and cash equivalents				
Beginning of year		**1,611,653**		929,574
End of year	$	**1,932,466**	$	1,611,653

See accompanying notes to the financial statements

1. Purpose and operations of the Society

enCompass Community Safety Agency Society (the “Society”) is a not-for-profit and charitable organization incorporated under the Societies Act of the Province of Alberta. The Society is a registered charity, as defined under the Income Tax Act (Canada), and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes.

The organization's name was changed from Edmonton John Howard Society to enCompass Community Safety Agency Society on September 25, 2024. This change was implemented to better reflect the organization's current mission and strategic direction. There was no material impact on the financial statements as a result of this name change.

The Society’s main purpose is to build safe and inclusive communities. Programs and services include education of the public about the causes and consequences of crime; provision of services to those in conflict with the law and those who are victims of crime; activities that seek to reform the current system of dealing with offenders; and provision of housing accommodation and incidental facilities.

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:

Revenue recognition

enCompass Community Safety Agency Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization related to the acquired capital assets. 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.

Rental and other revenue are recognized when the related service is performed and when reasonable assurance exists regarding the measurement and collection of the consideration received. Revenue from investments is recorded as revenue when earned.

Donations in-kind

Donated materials and facilities are recorded in the accounts when there is a measurable basis for arriving at their fair value, and they would normally be purchased by the Society if not donated. Such donated materials and facilities are recorded at their fair market value.

Contributed services

Volunteers assist the Society in carrying out certain activities. Due to 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.

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

Use of estimates and measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses for the reported 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 estimated useful lives of capital assets, and valuation of allowance for doubtful accounts receivable. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash, including bank savings accounts, and cashable guaranteed investment certificates which are highly liquid or convertible to cash in three months or less.

Amortization of capital assets

Capital assets are recorded at cost, less accumulated amortization. Amortization applied to write off the cost of capital assets over their estimated lives are as follows:

Buildings	5%, straight line
Furnishings and equipment	10%, straight line
Automotive equipment	15%, straight line
Computer hardware	15%, straight line
Computer software	15%, straight line

Amortization of intangible assets

Intangible assets are recorded at cost, less accumulated amortization. Amortization commences when the intangible asset is available for use. Amortization rates to write off the cost of intangible assets over their estimated useful lives are as follows:

Computer database	10%, straight line

Impairment of long-lived assets

Capital assets and intangible assets are reviewed for impairment when events or circumstances indicate that their carrying value exceeds the sum of the undiscounted cash flows expected from their use and eventual disposal. An impairment loss is measured as the amount by which the capital assets' carrying value exceeds the fair value. Accordingly, the Society reviews capital assets and intangible assets for indicators of impairment annually.

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

Financial instruments

A financial asset or liability is recognized when the Society becomes a party to contractual provisions of the instrument.

Initial measurement:

The Society's financial instruments are measured at fair value when issued or acquired except for certain non-arm's length transactions, if any, which are measured at the cost or fair value, depending on the nature of the transaction. The Society has no non-arm's length transactions recorded at fair value. 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:

The Society subsequently measures its financial assets and liabilities obtained in arm's length transactions at cost or amortized cost (less impairment in the case of financial assets). The Society uses the effective interest method to amortize any premiums, discounts, transaction fees and financing fees to the statement of revenues and expenditures. The financial instruments measured at amortized cost are cash, receivables, and payables and accruals. The carrying value of 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 Society regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Society 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 revenues and expenditures. 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 Society initially measured the instrument. The Society does not have any financial assets or financial liabilities in related party transactions measured at fair value.

3. Cash and cash equivalents

Included in cash is $47,148 (2024 - $55,975) raised from regulated gaming activities. The use of these funds is restricted to projects approved by the regulatory authorities.

Also included is $500,000 (2024 - $nil) cashable guaranteed investment certificates maturing April 22, 2025. The effective interest rate as of March 31, 2025 is 2.70%.

4. Capital assets

	Cost	Accumulated Amortization	**2025 Net book value**	2024 Net book value
Land	$ 273,742	$ -	$ **273,742**	$ 273,742
Buildings	4,086,208	2,777,175	**1,309,033**	1,425,562
Furnishings and equipment	587,590	514,097	**73,493**	59,726
Automotive equipment	30,870	30,870	**-**	-
Computer hardware	698,041	698,041	**-**	1,420
Computer software	119,060	119,060	**-**	-
	$ 5,795,511	$ 4,139,243	$ **1,656,268**	$ 1,760,450

5. Intangible asset

	Cost	Accumulated Amortization	**2025 Net book value**	2024 Net book value
Computer database	$ 402,626	$ 236,576	**$ 166,050**	$ 206,313

6. Deferred contributions - operations

Deferred contributions - operations represents externally restricted operational funding related to subsequent periods. Changes in the deferred contributions balance are as follows:

	2025	2024
Balance, beginning of year	**$ 1,811,220**	$ 1,219,568
Add: externally restricted amounts received in the year	**8,502,241**	7,376,004
Less: amount recognized as revenue in the year	**(7,980,690)**	(6,677,699)
Less: refund of program surpluses	**(94,495)**	-
Less: amount related to capital assets (Note 7)	**(65,177)**	(106,653)
Balance, end of year	**$ 2,173,099**	$ 1,811,220

Included in deferred contributions – operations is $162,788 (2024 - $290,991) of funding received from Homeward Trust Edmonton.

7. Deferred contributions - capital assets

Deferred contributions - capital assets represent externally restricted contributions with which capital assets were purchased. The changes in the deferred contributions balance for the period are as follows:

		2025		2024
Balance, beginning of year	$	**839,207**	$	836,345
Add: contributions received relating to capital asset purchases		**65,177**		106,653
Less: amortization of deferred contributions		**(108,383)**		(103,791)
Balance, end of year	$	**796,001**	$	839,207

8. Other revenue

Other revenue includes grant funding, rental revenue from the 105 Street Property and revenue from other miscellaneous sources.

9. Debt due on demand

The Society maintains a revolving demand facility in the amount of $1,000,000 (2024 - $1,000,000) with an interest rate of prime + 1%. The amount drawn from this facility in the current year is $nil (2024 - $nil).

10. Internally restricted by board policy

The funds internally restricted by board policy have been established to ensure financial stability and to build long term equity. This reserve must be used for funding shortfalls in the absence of other funding sources, expenditures associated with the dissolution or wind-up of the Society or any portion thereof, and funding new ventures. The use of these funds is accessed through approval from the board.

During the year, $41,290 (2024 - $10,454) and $39,671 (2024 - $nil) of unrestricted funds were designated for the 105th Street Capital Reserve Fund and Future Funding Reserve Fund, respectively. The 105th Street Capital Reserve Fund may be used to cover operating expenses associated with the 105th Street Building which may result from vacancy losses, and unbudgeted increases in operating costs, and to make capital improvements to the property. The Future Funding Reserve Fund has been established as a contingency to offset operational liabilities, including program wind down costs, which would exceed funding commitments. This fund is also utilized when unrestricted revenue is carried forward from one fiscal year to another.

	2025	2024
105th Street Capital Reserve	**$ 278,134**	$ 236,844
Future Funding Reserve	**286,879**	247,208
	$ 565,013	$ 484,052

11. Ethical fundraising

In compliance with the Ethical Fundraising and Financial Accountability Code the summary of fundraising activities for the year is as follows:

	2025	2024
Gross contributions from fundraising	**$ 8,326**	$ 41,791
Fundraising expenses - other expenses	**300**	300
Proceeds from fundraising, excluding gaming	**8,026**	41,491
Proceeds from regulated gaming activities	**79,589**	-
Net proceeds from fundraising	**87,615**	41,491
Total donations receipted for income tax purposes	**$ 5,570**	$ 14,500

12. Investment and related party transactions

Investment

The Society controls ECSA Charitable Properties Ltd. ("Charitable Properties"), a not-for-profit charitable organization which holds buildings utilized by the Society in the operation of its programs.

Charitable Properties has not been consolidated in the Society's financial statements. A financial summary of this unconsolidated entity as at March 31, 2025 and 2024 and for the years then ended is as follows:

ECSA Charitable Properties Ltd.

Financial Position

	2025	2024
Total assets	**$ 4,775,946**	$ 4,611,299
Total liabilities	**259,926**	112,115
Total net assets	**4,516,020**	4,499,184
Total liabilities and net assets	**$ 4,775,946**	$ 4,611,299

Results of Operations

Total revenues	**$ 914,963**	$ 1,203,142
Total expenses	**898,125**	627,845
Excess of revenue over expenses	**16,838**	575,297

Cash flows

Cash from operations	**122,938**	281,719
Cash used in investing activities	**(565,946)**	44,152
Increase (decrease) in cash	**$ (538,797)**	$ 325,871

Related party transactions

Of the total revenues noted above, the Society paid Charitable Properties $316,571 (2024 - $383,734) for rent, and $354,799 (2024 - $421,280) relating to a service cost contract between the two parties. Included in assets noted above are receivables amounting to $90,627 (2024 - $29,974) related to this contract.

Included in total expenses noted above is $426,248 (2024 - $266,500) for a designated donation from Charitable Properties to the Society and $5,250 (2024 - $5,250) office rent to the Society. Of this, $131,498 (2024 – $nil) is included in liabilities noted above.

13. Reclassification of comparative figures

Comparative figures have been adjusted to conform to the change in the current year presentation.