

**CELEBRATION CHRISTIAN CHURCH
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

**CELEBRATION CHRISTIAN CHURCH
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YEAR ENDED DECEMBER 31, 2024**

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ST. ARNAUD PINSENT STEMAN

CHARTERED PROFESSIONAL ACCOUNTANTS
AN ASSOCIATION TO PRACTISE CHARTERED PROFESSIONAL ACCOUNTANCY

Daniel J. St. Arnaud, CPA, CA ▪
John H.C. Pinsent, FCPA, FCA, ICD.D ▪
Benardus C. Steman, CPA, CA, CFA ▪
JAM Accounting Group LLP ◻

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Celebration Christian Church

We have reviewed the accompanying financial statements of Celebration Christian Church (the Church) that comprise the statement of financial position as at December 31, 2024, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 (ASNPO), 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many charitable organizations, the Church derives significant revenues from donations. The nature of voluntary donations does not lend itself to satisfactory analysis or inquiry to enable the determination of completeness of donations.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Celebration Christian Church as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

JAM Accounting Group LLP

Edmonton, Alberta
June 30, 2025

JAM Accounting Group LLP
Chartered Professional Accountants

▪ Operating as a Professional Corporation ◻ Operating as a Limited Liability Partnership

1653 – 91 Street SW | Edmonton, AB T6X 0W8
Phone: (780) 448-0399 | Fax: (780) 468-6400 | www.sps-ca.ca

CELEBRATION CHRISTIAN CHURCH
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	2024 \$	2023 \$
ASSETS		
CURRENT		
Cash - unrestricted	360,557	918,368
Cash - restricted	347,071	110,952
Accounts receivable (Note 4)	80,012	26,908
Prepaid expenses	21,467	23,693
Inventory	-	2,083
	<u>809,107</u>	<u>1,082,004</u>
CAPITAL ASSETS (Note 5)	<u>13,318,309</u>	<u>11,290,578</u>
TOTAL ASSETS	<u>14,127,416</u>	<u>12,372,582</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	138,104	64,529
Wages payable	13,516	20,727
Deposits received	16,320	16,320
Current portion of debt (Note 6)	184,357	141,496
	<u>352,297</u>	<u>243,072</u>
CALLABLE DEBT (Note 6)	<u>4,945,882</u>	<u>3,328,261</u>
TOTAL LIABILITIES	<u>5,298,179</u>	<u>3,571,333</u>
NET ASSETS		
Unrestricted fund	294,096	869,476
Capital fund	8,188,070	7,820,821
Legacy fund	347,071	110,952
	<u>8,829,237</u>	<u>8,801,249</u>
TOTAL LIABILITIES AND NET ASSETS	<u>14,127,416</u>	<u>12,372,582</u>

Approved on behalf of the board

_____ Director

CELEBRATION CHRISTIAN CHURCH
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024

	Unrestricted Fund \$	Capital Fund \$	Legacy Fund \$	2024 \$	2023 \$
Net assets - beginning of year	869,476	7,820,821	110,952	8,801,249	9,149,647
Excess (deficiency) of revenues over expenses	(273,621)	-	301,609	27,988	(348,398)
Purchase of capital assets - net	(2,410,359)	2,475,849	(65,490)	-	-
Amortization of capital assets	448,118	(448,118)	-	-	-
Addition of callable debt	1,812,053	(1,812,053)	-	-	-
Payments on callable debt	(151,571)	151,571	-	-	-
Net assets - end of year	294,096	8,188,070	347,071	8,829,237	8,801,249

The accompanying notes form part of these financial statements

CELEBRATION CHRISTIAN CHURCH
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2024

	2024 \$	2023 \$
REVENUES		
Offerings	2,438,085	2,076,858
Legacy Fund	292,664	94,761
Rental	146,114	136,717
Registration fees	73,299	64,579
Interest	56,237	65,305
Books and resources	33,930	19,426
Other	16,779	26,972
Gifts in kind	-	20,000
	<u>3,057,108</u>	<u>2,504,618</u>
EXPENSES		
Salaries and wages	1,027,335	934,547
Program	550,474	571,098
Amortization	448,118	450,694
Facility	360,165	372,323
Interest on callable debt	264,079	262,687
Church administration	226,881	166,039
Ministry	64,166	47,302
Settlement (Note 7)	27,500	-
Gifts to other charities	26,365	40,713
Property taxes	20,758	11,007
Books and resources	16,550	23,941
Rent	-	500
	<u>3,032,391</u>	<u>2,880,851</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>24,717</u>	<u>(376,233)</u>
OTHER INCOME		
Gain on disposal of capital assets	3,271	-
Grants	-	27,835
	<u>3,271</u>	<u>27,835</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	<u>27,988</u>	<u>(348,398)</u>

The accompanying notes form part of these financial statements

CELEBRATION CHRISTIAN CHURCH
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

	2024 \$	2023 \$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses for the year	27,988	(348,398)
Items not affecting cash:		
Amortization of capital assets	448,118	450,694
Gain on disposal of capital assets	(3,271)	-
	<u>472,835</u>	<u>102,296</u>
Changes in non-cash working capital:		
Accounts receivable	(53,104)	(3,024)
Inventory	2,083	-
Accounts payable and accrued liabilities	73,574	30,441
Deposits received	-	(8,850)
Prepaid expenses	2,227	(5,193)
Deferred lease commissions	-	3,485
Wages payable	(7,211)	16,066
	<u>17,569</u>	<u>32,925</u>
Cash flow from operating activities	<u>490,404</u>	<u>135,221</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(2,478,078)	(305,200)
Proceeds from capital asset sale	5,500	-
Cash flow used by investing activities	<u>(2,472,578)</u>	<u>(305,200)</u>
FINANCING ACTIVITIES		
Proceeds from long term financing	1,812,053	-
Repayment of callable debt	(151,571)	(102,813)
Repayment of CEBA loan	-	(30,000)
Cash flow from (used by) financing activities	<u>1,660,482</u>	<u>(132,813)</u>
DECREASE IN CASH FLOW	<u>(321,692)</u>	<u>(302,792)</u>
Cash - beginning of year	<u>1,029,320</u>	<u>1,332,112</u>
CASH - END OF YEAR	<u>707,628</u>	<u>1,029,320</u>
CASH CONSISTS OF:		
Cash - unrestricted	360,557	918,368
Cash - restricted	347,071	110,952
	<u>707,628</u>	<u>1,029,320</u>

The accompanying notes form part of these financial statements

**CELEBRATION CHRISTIAN CHURCH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

1. NATURE OF OPERATIONS

Celebration Christian Church (the "Church") is a not-for-profit organization that operates a Christian church located in Edmonton, Alberta. The Church was incorporated on June 15, 1992 under the Societies Act of the Province of Alberta. As a registered charity the Church is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

Celebration Christian Church follows the restricted fund method of accounting for contributions.

Externally restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Restricted contributions for which no restricted fund is presented must be recognized in the unrestricted fund using the deferral method. Unrestricted contributions are recognized as revenues in the unrestricted fund.

The Board has established the Legacy Fund, which is an externally restricted fund whereby donations are earmarked for renovations of the Church buildings and expansion of the Church through the rental and purchase of new locations. The Board has discretion to transfer monies in and out of this fund to manage the cash flows associated with the renovations and expansion. Included in the transfers in and out are GST rebates associated with the renovations, financing and repayments, capital expenditures relating to the renovations and expansion, general offerings intended for this fund, building rental costs, and some building maintenance costs.

The Board has established an internally restricted Capital Fund to report the Church's net investment in capital assets. Included in this fund is capital assets and callable debt.

The Board has also established an internally restricted, non-designated fund, whereby a portion of building rental income received will be accumulated for future use.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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. Significant financial statement items that require the use of estimates are the useful life and amortization of capital assets. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Income taxes

As a registered charity the Church is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

(continues)

**CELEBRATION CHRISTIAN CHURCH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are stated at cost or deemed cost. Donated capital assets are recorded at fair value on the day of contribution. Amortization is recorded to amortize the cost of the assets over their estimated useful lives and is calculated at one-half of the annual rate in the year of purchase or donation. Amortization is recorded at the following rates and methods:

Buildings	4% declining balance method
Automotive equipment	30% declining balance method
Computer equipment	55% declining balance method
Computer software	100% declining balance method
Furniture and fixtures	20% declining balance method
Music & AV Equipment	20% declining balance method

Foreign currency translation

The Church uses the temporal method to translate its foreign currency transactions. Monetary assets and liabilities are translated at the rate of exchange in effect at year-end. Other assets and liabilities are translated at their historic rates. Items appearing in the statement of operations, except for the cost of inventory and amortization translated at historic rates, are translated at average year rates. Exchange gains and losses are included in the statement of revenues and expenses.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash, accounts receivable and prepaid expenses and commissions.

Financial liabilities measured at amortized cost include the accounts payable and accrued liabilities and deposits.

Revenue recognition

Contributions and other revenue, restricted and unrestricted, are recorded when received, except as noted below.

Restricted contributions relate to the Legacy fund, which was established to facilitate the purchase and renovation of property for the establishment of a new Church.

Rental revenue is recognized on a straight-line basis over the term of the lease. Registration fees are recognized over the term of the program.

Unearned revenue occurs when payment is received before services have been performed.

Contributed services

The operations of the Church depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

CELEBRATION CHRISTIAN CHURCH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

3. FINANCIAL INSTRUMENTS

The Church is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Church's risk exposure and concentration as of December 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Church is exposed to credit risk from customers. The Church has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Church is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, long term debt and accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Church manages exposure through its normal operating and financing activities. The Church is exposed to interest rate risk primarily through its floating interest rate callable debt.

Unless otherwise noted, it is management's opinion that the Church is not exposed to significant other price risks arising from these financial instruments.

4. ACCOUNTS RECEIVABLE

	2024	2023
	\$	\$
Trade accounts receivable	-	1,405
Goods and services taxes receivable	80,013	25,502
	80,013	26,907

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
	\$	\$	\$	\$
Land	6,069,026	-	6,069,026	3,711,526
Buildings	10,105,209	3,499,789	6,605,420	6,817,526
Music and equipment	1,870,608	1,430,944	439,664	536,116
Furniture and fixtures	718,254	557,664	160,590	177,903
Computer equipment	189,725	166,919	22,806	17,788
Automotive equipment	73,633	52,830	20,803	29,719
	19,026,455	5,708,146	13,318,309	11,290,578

CELEBRATION CHRISTIAN CHURCH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

6. CALLABLE DEBT

	<u>2024</u>	<u>2023</u>
	\$	\$
ATB Financial loan bearing interest at 6.95% per annum, repayable in monthly blended payments of \$38,325. The loan matures on February 15, 2038 and is secured by a general security agreement over all present and after-acquired personal property.	5,130,239	3,469,757
Amounts payable within one year	(184,357)	(141,496)
	<u>4,945,882</u>	<u>3,328,261</u>

The demand loan agreement contains certain covenants regarding (i) restrictions on new borrowing by the Church, (ii) unauthorized sale of Church assets whose fair value exceeds \$50,000, and (iii) certain financial covenants as follows: the Church's debt to equity ratio must not exceed 1.5:1, and the debt service ratio must be greater than 1.25:1. As at December 31, 2024, these covenants have been met.

Principal repayment terms are approximately:

	<u>\$</u>
2025	184,357
2026	194,679
2027	205,578
2028	217,088
2029	229,242
Thereafter	4,099,295
	<u>5,130,239</u>

7. CONTINGENT LIABILITY

As of December 31, 2024, the Church was subject to a legal claim. A payable has been set up to reflect this obligation in the financial statements for the amount paid after the year-end. Management believes that the recognition of this liability provides a true and fair view of the Church's financial position as of the reporting date.

8. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

CELEBRATION CHRISTIAN CHURCH
SCHEDULE 1 - LEGACY FUND
YEAR ENDED DECEMBER 31, 2024

	2024	2023
	\$	\$
REVENUES		
Offerings	292,664	94,761
Interest income	9,245	9,425
	301,909	104,186
EXPENSES		
Bank fee	300	-
EXCESS OF REVENUES OVER EXPENSES	301,609	104,186

The accompanying notes form part of these financial statements