

# **NE CENTRE OF COMMUNITY SOCIETY**

## **FINANCIAL STATEMENTS** (Audited)

**DECEMBER 31, 2024**

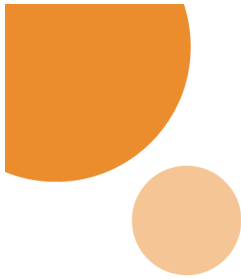


# NE CENTRE OF COMMUNITY SOCIETY

DECEMBER 31, 2024

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# Heidi Brauer

## Chartered Professional Accountant

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### **Independent Auditor's Report**

**To the Members of:  
NE Centre of Community Society**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

I have audited the Statement of Financial Position of the NE Centre of Community Society (NECCS) as at December 31, 2024 and the Statements of Operations, Net Assets and Cash Flows and a summary of significant accounting policies and other explanatory notes for the year ended December 31, 2024.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the NE Centre of Community Society as at December 31, 2024 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit associations.

##### **Basis for Opinion**

I am independent of the NE Centre of Community Society in accordance with the ethical requirements that are relevant to my audit and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

##### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole in forming my opinion thereon and I do not provide a separate opinion on these matters.

Please note, that the statement of operations includes an unrealised gain on investments of \$224,339 (2023 - an unrealised gain of \$156,702).

##### **Management's Responsibility**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit associations and for such internal control as management determines 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 NE Centre of Community's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

### **Auditor's responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian auditing standards for not-for-profit associations (ASNPO). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, concluding on the appropriateness of management's use of the going concern basis of accounting as well as evaluating the overall presentation of the financial statements.

I communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that I identify during my audit.

Calgary, Alberta  
March 17, 2025



Heidi Brauer  
Chartered Professional Accountant


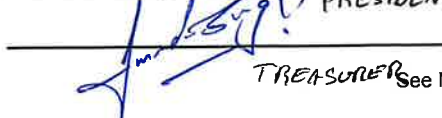
**NE CENTRE OF COMMUNITY SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
(Audited)

**As at December 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents, unrestricted	\$ 9,308	\$ 65,358
Term deposit, unrestricted (Note 5)	196,209	-
Investment, internally restricted (Notes 5 & 7)	1,642,589	1,456,543
Accounts receivable, unrestricted (Note 13)	416,328	563,155
GST receivable	41,057	45,628
Prepaid expense (Note 15)	103,765	62,399
	<b>2,409,256</b>	<b>2,193,083</b>
<b>EXTERNALLY RESTRICTED ASSETS (Note 9)</b>	<b>976,961</b>	<b>111,898</b>
<b>LONG TERM INVESTMENT, internally restricted (Notes 5 &amp; 7)</b>	<b>4,321,202</b>	<b>3,834,103</b>
<b>PROPERTY AND EQUIPMENT (Note 3)</b>	<b>18,501,610</b>	<b>19,677,878</b>
	<b>\$ 26,209,029</b>	<b>\$ 25,816,962</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 128,849	\$ 76,253
Deferred cash contributions (Note 9)	976,961	111,898
Deferred revenue (Note 14)	79,863	148,607
	<b>1,185,673</b>	<b>336,758</b>
<b>DEFERRED CAPITAL CONTRIBUTIONS (Note 6)</b>	<b>12,836,649</b>	<b>13,893,480</b>
<b>NET ASSETS</b>		
Unrestricted	557,955	511,680
Internally restricted (Note 5)	5,963,791	5,290,646
Invested in property and equipment	5,664,961	5,784,398
	<b>12,186,707</b>	<b>11,586,724</b>
	<b>\$ 26,209,029</b>	<b>\$ 25,816,962</b>

**Commitment (Note 7)**

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

 Director  
 Director  
Treasurer See Notes to the Financial Statements

**NE CENTRE OF COMMUNITY SOCIETY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
(Audited)

**For the Year Ended December 31, 2024**

	<b>Unrestricted</b>	<b>Internally Restricted (Note 5)</b>	<b>Invested in Property and Equipment</b>	<b>2024 Totals</b>	<b>2023 Totals</b>
Balances, per 2023 financial statements	511,680	5,290,646	5,784,398	11,586,724	11,320,870
Transfer of Funds	(673,145)	673,145	-	-	-
Increase (Decrease)	719,420	-	(119,437)	599,983	265,854
Balances, end of year	<b>\$ 557,955</b>	<b>5,963,791</b>	<b>5,664,961</b>	<b>12,186,707</b>	<b>11,586,724</b>

See Notes to Financial Statements

**NE CENTRE OF COMMUNITY SOCIETY**  
**STATEMENT OF OPERATIONS**  
(Audited)

**For the Year Ended December 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>REVENUE</b>		
Facility rental	2,239,715	\$ 2,050,715
Contributions from Commons Operating Reserve Fund (Note 16)	800,000	800,000
Commons area	453,708	448,827
Leases	339,521	350,834
Admission and passes	233,917	274,182
Contributions from lifecycle reserve fund	152,500	100,000
Government grants and donations (Note 4)	113,721	112,413
Commission and sponsorship	49,296	92,617
Programs and supplies (Note 11)	39,100	36,450
Casino contributions (Note 10)	-	70,607
	<b>4,421,478</b>	<b>\$ 4,336,645</b>
<b>EXPENSES</b>		
Wages and benefits	2,166,987	2,158,751
Commons area	928,013	749,429
Administration	412,871	369,740
Building operations	282,676	323,438
3rd party service and equipment	108,943	197,274
Programs and supplies (Note 11)	51,938	42,473
Marketing	28,477	42,750
	<b>3,979,905</b>	<b>3,883,855</b>
<b>Excess of revenue over expenses from operations</b>	<b>441,573</b>	<b>452,790</b>
Commons area operating reserve fund including partners payment	(400,000)	(400,000)
Investment income (Note 8)	563,683	267,794
Depreciation expense	(1,286,443)	(1,268,263)
Amortization of deferred capital contributions (Note 6)	1,056,831	1,056,831
	<b>375,644</b>	<b>109,152</b>
<b>Excess of revenue after amortization, investment income and before unrealised gain</b>	<b>375,644</b>	<b>109,152</b>
Unrealised gain (Note 8)	224,339	156,702
	<b>224,339</b>	<b>156,702</b>
<b>EXCESS OF REVENUE OVER EXPENSES AFTER AMORTIZATION AND UNREALISED GAIN</b>	<b>\$ 599,983</b>	<b>\$ 265,854</b>

See Notes to Financial Statements

**NE CENTRE OF COMMUNITY SOCIETY**  
**STATEMENT OF CASH FLOWS**  
(Audited)

**For the Year Ended December 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>Cash generated from (used in):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 599,983	\$ 265,854
Charges not requiring cash outlay:		
Depreciation	1,286,443	1,268,263
Amortization of deferred capital contributions (Note 6)	(1,056,831)	(1,056,831)
Changes in non-cash operating working capital:		
Accounts receivable	146,828	(281,312)
GST receivable	4,571	(33,205)
Prepaid expenses	(41,366)	(26,191)
Accounts payable	52,596	(11,392)
Deferred revenue	(68,745)	132,512
	<b>923,479</b>	<b>257,698</b>
<b>FINANCING ACTIVITIES</b>		
Deferred Cash Contributions	865,062	32,434
Deferred capital contributions	-	245,535
	<b>865,062</b>	<b>277,969</b>
<b>INVESTING ACTIVITIES</b>		
Computers	(3,815)	(20,545)
Furniture & equipment	(5,586)	(102,048)
Signage	-	(16,570)
Construction costs	(100,774)	(529,361)
Investments	(869,354)	58,642
	<b>(979,529)</b>	<b>(609,882)</b>
<b>INCREASE DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>809,012</b>	<b>(74,215)</b>
Cash and cash equivalents, beginning of the year	<b>177,256</b>	<b>251,471</b>
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>	<b>\$ 986,268</b>	<b>\$ 177,256</b>
<b>Consisting of:</b>		
Cash and cash equivalents, unrestricted	\$ 9,308	\$ 65,358
Cash and cash equivalents, externally restricted	976,960	111,898
	<b>\$ 986,268</b>	<b>\$ 177,256</b>

See Notes to Financial Statements

# NE CENTRE OF COMMUNITY SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

### 1. SOCIETY

The NE Centre of Community Society ("the Society") was incorporated with the Province of Alberta on November 18, 2005 as a not for profit association and as such is exempt from income tax under section 149 of the Canadian Income Tax Act.

The Society is a registered charity.

The Society was established to build and sustain a strong community by encouraging community leadership, promoting volunteerism and creating a bridge between the diverse cultures within a fun family environment.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared according to Canadian accounting standards for not for profit organizations, of which the most significant policies are:

#### **Revenue Recognition:**

Unrestricted contributions are recorded according to the accrual method where revenue is recognized when received or reasonable assurance is given, that it is receivable.

Externally restricted contributions are recorded according to the deferral method, where revenue is recognized when the related expense occurred.

#### **Contributed Goods and Services:**

A number of volunteers have spent a considerable amount of time to develop the Societies projects. This contributed time has not been taken into consideration in these financial statements.

Contributed good will be recorded when the cost can be reasonably estimated and the goods would have been otherwise purchased by the Society.

#### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

**NE CENTRE OF COMMUNITY SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2024

**Financial Instruments**

**Measurement of Financial Instruments:**

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income. Financial instruments measured at amortized cost include cash, accounts receivable and accounts payable.

**Financial Risk:**

It is management's opinion that the Society is not exposed to significant interest, currency, price, market or credit risks arising from these financial instruments.

**Use of Estimates**

The preparation of financial statements in accordance 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, the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses for the periods covered. The main estimates relate to the collectability of receivables, the useful life of property and equipment and the amounts recorded as accrued liabilities.

**Property and Equipment**

Property and equipment over \$5,000 are recorded at cost and amortized on a straight line basis over the estimated life of the asset according to the following rates:

Building and improvements	25 years
Furniture and equipment	10 years
Computer hard and software	3 years

No residual value and no 50% of amortization in the first year are taken into consideration.

**3. PROPERTY AND EQUIPMENT**

	Cost	Accumulated Amortization	Net 2024	Net 2023
Furniture, computers and Equipment	\$ 2,552,558	2,396,065	156,493	340,391
Signage	16,570	6,628	9,942	13,256
Building	31,164,116	12,828,941	18,335,175	19,324,231
	\$ 33,733,244	15,231,634	18,501,610	19,677,878

The land the building is situated on is leased from the City of Calgary at a nominal fee.

**NE CENTRE OF COMMUNITY SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2024

**4. GOVERNMENT GRANTS AND DONATIONS**

	<b>2024</b>	<b>2023</b>
<b>City of Calgary - outdoor structure</b>	<b>\$ 803,791</b>	\$ -
Deferred to next year (Notes 5 and 9)	<b>(803,791)</b>	-
<b>Canada Summer Jobs Grant</b>	<b>27,339</b>	22,893
<b>Canada Parks &amp; Recreation Grant</b>	-	40,000
<b>United Way Calgary</b>	<b>25,000</b>	25,000
<b>Indigenous Arts</b>	<b>2,403</b>	-
<b>Canadian Red Cross</b>	<b>20,160</b>	47,040
Deferred from prior year	<b>23,520</b>	-
Deferred to next year (Note 9)	-	(23,520)
<b>City of Calgary - miscellaneous grants for operations</b>	<b>5,299</b>	1,000
<b>Alberta Security Infrastructure Program</b>	<b>10,000</b>	-
Spent on operations	<b>\$ 113,721</b>	\$ 112,413

**5. TERM DEPOSITS/MANAGED FUNDS - INTERNALLY RESTRICTED**

In July of 2014, the Society entrusted the Calgary Foundation with an operating reserve of \$250,000 and a capital maintenance reserve (Life Cycle) of \$1,516,152.

Both funds are recorded as internally restricted investments, the operating reserve as short term and the capital maintenance reserve as long term (Note 8). As per board approval, additional \$500,000 plus interest were added yearly, except for 2020, when the \$500,000 were not invested due to the uncertainty of the COVID-19 pandemic.

In 2021 an additional \$400,000 were transferred from the operating reserve fund. The 2022 withdrawal of \$600,000 was for matching the Society's share of the \$2 Million to outdoor fields. They were transferred to the City of Calgary.

**Operating Reserve Fund - short term**

	<b>2024</b>	<b>2023</b>
Beginning balance	<b>\$ 1,456,543</b>	\$ 1,365,483
Interest	<b>9,024</b>	7,233
Dividends	<b>34,436</b>	37,118
Realized capital gain	<b>100,109</b>	22,983
Unrealised gain	<b>61,779</b>	41,410
Administration fees	<b>(19,302)</b>	(17,684)
	<b>\$ 1,642,589</b>	\$ 1,456,543

**NE CENTRE OF COMMUNITY SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2024

**Capital Maintenance Reserve Fund - long term**

	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 3,834,103	\$ 3,983,805
Interest	23,746	20,720
Dividends	90,609	102,513
Realised capital gain	263,479	65,429
Unrealised gain (loss)	162,559	115,292
Administration fees	(53,294)	(53,656)
Withdrawal	-	(400,000)
	<b>\$ 4,321,202</b>	<b>\$ 3,834,103</b>
<b>TOTAL SHORT AND LONG TERM</b>	<b>\$ 5,963,791</b>	<b>\$ 5,290,646</b>
<b>Term Deposit:</b>		
Scotiabank maturing May 29, 2025 at 5.05%	\$ 1,000,000	\$ -
City grant included in investment (Note 9)	(803,791)	-
Unrestricted portion	<b>\$ 196,209</b>	<b>\$ -</b>

**6. DEFERRED CAPITAL CONTRIBUTIONS**

Externally restricted cash contributed to the purchase of property and equipment is recorded as deferred capital contributions and will be amortized on the same basis and brought into income as the related capital asset is amortized and expensed.

	<b>2024</b>	<b>2023</b>
Carried forward from previous year	\$ 13,893,480	\$ 14,704,776
Additions	-	245,535
Less: Amortization	(1,056,831)	(1,056,831)
Balance to next year	<b>\$ 12,836,649</b>	<b>\$ 13,893,480</b>

**7. COMMITMENT**

According to the lease agreement with the City of Calgary, the NE Centre of Community Society was required to establish two interest bearing reserve funds, a Capital Maintenance Reserve Fund and an Operating Reserve Fund. The Society contributed Five Hundred Thousand (\$500,000) Dollars each year for four years to attain the initial amount of the Capital Maintenance Reserve Fund of Two Million (\$2,000,000) Dollars. The balance as per December 31 in this fund was \$4,313,027 (2023 - \$3,834,102) (Note 5).

In addition, the Society established an Operating Reserve in the initial amount of Two Hundred Thousand (\$200,000) Dollars, with a minimum value of Two Hundred Fifty Thousand (\$250,000) Dollars after five years. This commitment had been fulfilled during the 2015 fiscal year and some of these funds were transferred to a long term investment.

**NE CENTRE OF COMMUNITY SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2024

**8. INVESTMENT INCOME**

Investment income is a net amount consisting of:

	<u>2024</u>	<u>2023</u>
Interest	\$ 75,050	\$ 39,751
Dividends	125,045	139,631
Capital gain	<u>363,588</u>	<u>88,412</u>
Investment income before unrealised gain	563,683	267,794
Unrealised gain	<u>224,339</u>	<u>156,702</u>
Investment income after unrealised gain	<u>\$ 788,022</u>	<u>\$ 424,496</u>

**9. EXTERNALLY RESTRICTED ASSETS/DEFERRED CASH CONTRIBUTIONS**

Unspent casino and grant funding are restricted to be spent according to approved objectives.

	<u>2024</u>	<u>2023</u>
Casino	\$ 173,170	\$ 88,378
City of Calgary funding outdoor structures (Note 5)	803,791	-
Red Cross Grant - held in unrestricted cash	-	23,520
	<u>\$ 976,961</u>	<u>\$ 111,898</u>

**10. CASINO CONTRIBUTIONS**

	<u>2024</u>	<u>2023</u>
Casino beginning balance	\$ 88,378	\$ 79,464
Plus: Casino pool	84,863	79,593
Plus: Advisor reimbursement	1,960	1,689
Plus: Food over-charge transferred from unrestricted	485	654
Less: Bank charges	(72)	(72)
Less: Advisor fees	(2,444)	(2,343)
Less: Casino bank balance (Note 9)	<u>(173,170)</u>	<u>(88,378)</u>
Contribution to operations	<u>\$ -</u>	<u>\$ 70,607</u>

**11. PROGRAMS AND SUPPLIES**

	<u>2024</u>	<u>2023</u>
<b>Revenues:</b>		
Partnership initiatives	\$ 35,800	\$ 36,150
Cultural festival	3,300	200
	<u>39,100</u>	<u>36,350</u>
<b>Expenses:</b>		
Community investment projects	27,433	25,052
Partnership initiatives	19,998	17,421
Other events	4,507	-
	<u>51,938</u>	<u>42,473</u>
Deficiency of revenue over expenses	<u>\$ (12,838)</u>	<u>\$ (6,123)</u>

# NE CENTRE OF COMMUNITY SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

### 12. SUPPORT TO COMMUNITY GROUPS

The Society is committed to giving back to the Community it serves. In 2024, the Society continued its commitment to community support through free events, volunteer contributions, and various initiatives such as subsidized rentals, free drop-in play days, and monetary grants.

This year, the Society provided \$204,208 in free or discounted space (2023 – \$209,738), including \$92,104 in space for the Calgary Food Bank (2023 – \$105,000) and \$95,314 for adult programs and partnerships.

Notably, as of March 2024, the Society assumed full financial responsibility for the Active Adults program, though the reported amount reflects only the 50% previously covered, following the loss of a major funding partner. Additionally, the Society awarded \$13,000 in grants and scholarships (2023 – \$10,000) to support local organizations and individuals.

### 13. ACCOUNTS RECEIVABLE

	<b>2024</b>	<b>2023</b>
Intelli net clearing	\$ 242,107	\$ 80,100
Edon Management	75,034	111,707
Intelli	30,902	173,029
Calgary Board of Education	2,667	-
Interest	30,023	-
Canada Summer Job Grant	27,339	-
Xerox	7,147	-
Compass Group	1,109	-
Intelli refund clearing	-	65,940
Pharmasave	-	40
Trellis	-	24
Centaur - refund	-	132,315
	<b>\$ 416,328</b>	<b>\$ 563,155</b>

### 14. DEFERRED REVENUES

	<b>2024</b>	<b>2023</b>
Intelli - miscellaneous	\$ 66,426	\$ 129,407
CBE Mezanine	9,600	19,200
Calgary Board of Education	3,837	-
	<b>\$ 79,863</b>	<b>\$ 148,607</b>

**NE CENTRE OF COMMUNITY SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2024

**15. PREPAID EXPENSES**

	<u>2024</u>	<u>2023</u>
City of Calgary - insurance	\$ 31,590	\$ 31,612
ING - Performance Sponsorship Group	27,500	-
Lloyd Sadd - insurance	22,685	22,540
intelli - subscription and licenses	8,742	8,247
Indigeneous Teaching	6,000	-
BRZ - architectural design	4,845	-
Indigeneous Arts	2,403	-
	<u>\$ 103,765</u>	<u>\$ 62,399</u>

**16. COMMONS AREA OPERATING RESERVE FUND**

During the 2016 fiscal year, the Society was entrusted by the City of Calgary and the NECCS Governance Board of the Genesis Centre with \$5,062,503 for the NECCS Commons Area Operating Reserve Fund. This fund was invested with the Calgary Foundation with forecasted withdrawals annually of \$250,000.

Due to higher operating costs of the Commons Area, the Governance Board decided to withdraw \$800,000 every year, starting in 2023.

The Commons Area Operating Fund has been designated by the Governance Board as a "quasi-endowment fund" and, as such, it is intended, that the principal of the Fund be preserved with only the annual income from the Fund being used to offset the operating costs of the Commons Area. It should be noted, that the Governance Board does have the right to decide at any time to expend some or all of the principal of the Commons Area Operating Fund, but would only do so under extraordinary circumstances.

	<u>2024</u>	<u>2023</u>
Opening fund balance	\$ 4,531,195	\$ 5,021,860
Withdrawals	(800,000)	(800,000)
Investment income	386,354	211,759
TCF administrative and management fees	(49,138)	(53,577)
Unrealised capital gains (losses)	164,444	151,153
Ending fund balance	<u>\$ 4,232,855</u>	<u>\$ 4,531,195</u>

**17. CONTINGENCY**

As of the fiscal year-end, NECCS is involved in two ongoing legal claims relating to slip and fall incidents attributed to freeze-and-thaw weather conditions. These claims are being managed by NECCS's insurance provider and their legal representatives. NECCS is covered as a sub-contractor responsible for the related work. No financial impact is anticipated beyond insurance coverage.