

NE CENTRE OF COMMUNITY SOCIETY

FINANCIAL STATEMENTS (Audited)

DECEMBER 31, 2025

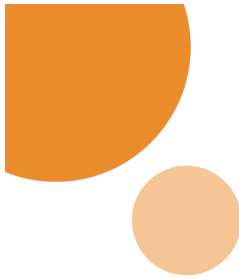


NE CENTRE OF COMMUNITY SOCIETY

DECEMBER 31, 2025

Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 14



Heidi Brauer

Chartered Professional Accountant

(403) 244-4111 ext. 209
heidi.brauer@calgarycommunities.com
110, 720 - 28 Street NE Calgary, AB T2A 6R3

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, 2025 and the Statements of Operations, Net Assets and Cash Flows and a summary of significant accounting policies and other explanatory notes for the year then ended.

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, 2025 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 unrealized gain on investments of \$220,867 (2024 - an unrealized gain of \$224,339).

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 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 Association'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 responsibilities for the Audit of Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Association'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 Association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Association 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.

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 16, 2026

Heidi Brauer
Chartered Professional Accountant

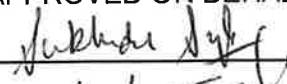
NE CENTRE OF COMMUNITY SOCIETY
STATEMENT OF FINANCIAL POSITION
(Audited)

As at December 31, 2025


	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 293,204	\$ 9,308
Term deposit, unrestricted (Note 5)	246,709	196,209
Investment, internally restricted (Notes 5 & 7)	1,784,674	1,642,589
Accounts receivable, unrestricted (Note 13)	458,253	416,328
GST receivable	23,129	41,057
Prepaid expense (Note 15)	56,558	103,765
	2,862,527	2,409,256
EXTERNALLY RESTRICTED ASSETS (Note 9)	1,352,625	976,961
LONG TERM INVESTMENT, internally restricted (Notes 5 & 7)	4,692,389	4,321,202
PROPERTY AND EQUIPMENT (Note 3)	17,507,760	18,501,610
	\$ 26,415,301	\$ 26,209,029
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 161,053	\$ 128,846
Deferred cash contributions (Note 9)	1,352,625	976,960
Deferred revenue (Note 14)	65,086	79,863
	1,578,764	1,185,669
DEFERRED CAPITAL CONTRIBUTIONS (Note 6)	11,824,781	12,836,649
NET ASSETS		
Unrestricted	851,714	557,959
Internally restricted (Note 5)	6,477,063	5,963,791
Invested in property and equipment	5,682,979	5,664,961
	13,011,756	12,186,711
	\$ 26,415,301	\$ 26,209,029

Commitment (Note 7)
Contingency (Note 17)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:



Director



Director

See Notes to the Financial Statements

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

For the Year Ended December 31, 2025

	Unrestricted	Internally Restricted (Note 5)	Invested in Property and Equipment	2025 Totals	2024 Totals
Balances, per 2024 financial statements	557,959	5,963,791	5,664,961	12,186,711	11,586,728
Transfer of Funds	(513,272)	513,272	-	-	-
Increase (Decrease)	807,027	-	18,018	825,045	599,983
Balances, end of year	\$ 851,714	6,477,063	5,682,979	13,011,756	12,186,711

See Notes to Financial Statements

NE CENTRE OF COMMUNITY SOCIETY
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended December 31, 2025

	2025	2024
REVENUES		
Facility rental	2,411,864	\$ 2,239,715
Contributions from Commons Operating Reserve Fund (Note 16)	800,000	800,000
Commons area	538,282	453,708
Leases	356,945	339,521
Admissions and passes	266,969	233,917
Contributions from lifecycle reserve fund	180,000	152,500
Government grants and donations (Note 4)	92,167	113,721
Casino contributions (Note 10)	65,797	-
Commission and sponsorship	50,340	49,296
Programs and supplies (Note 11)	39,305	39,100
	4,801,669	\$ 4,421,478
EXPENSES		
Wages and benefits	2,214,646	2,166,987
Commons area	866,450	928,013
Administration	387,763	412,871
Building operations	308,988	282,676
Programs and supplies (Note 11)	72,079	34,938
3rd party service and equipment	48,756	108,943
Marketing	32,095	28,477
Community investment projects	18,000	17,000
	3,948,777	3,979,905
Excess of revenue over expenses from operations	852,892	441,573
Commons area operating reserve fund including partners payment	(400,000)	(400,000)
Investment income (Note 8)	426,979	563,683
Depreciation expense	(1,287,561)	(1,286,443)
Amortization of deferred capital contributions (Note 6)	1,011,868	1,056,831
	604,178	375,644
Excess of revenue after amortization, investment income and before unrealized gain	604,178	375,644
Unrealized gain (Note 8)	220,867	224,339
	825,045	599,983
EXCESS OF REVENUE OVER EXPENSES AFTER AMORTIZATION AND UNREALIZED GAIN	\$ 825,045	\$ 599,983

See Notes to Financial Statements

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

For the Year Ended December 31, 2025

	2025	2024
Cash generated from (used in):		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 825,045	\$ 599,983
Charges not requiring cash outlay:		
Depreciation	1,287,561	1,286,443
Amortization of deferred capital contributions (Note 6)	(1,011,868)	(1,056,831)
Changes in non-cash operating working capital:		
Accounts receivable	(131,561)	146,828
GST receivable	17,928	4,571
Prepaid expenses	47,207	(41,366)
Accounts payable	32,207	52,596
Deferred revenue	(14,777)	(68,745)
	1,051,742	923,479
FINANCING ACTIVITIES		
Deferred Cash Contributions	375,664	865,062
	375,664	865,062
INVESTING ACTIVITIES		
Computers	(20,019)	(3,815)
Furniture & equipment	(8,558)	(5,586)
Construction costs	(265,134)	(100,774)
Investments	(563,773)	(869,354)
	(857,484)	(979,529)
INCREASE IN CASH AND CASH EQUIVALENTS	569,922	809,012
Cash and cash equivalents, beginning of the year	986,268	177,256
CASH AND CASH EQUIVALENTS, END OF THE YEAR	\$ 1,556,190	\$ 986,268
Consisting of:		
Cash and cash equivalents, unrestricted	\$ 293,204	\$ 9,308
Cash and cash equivalents, externally restricted	1,262,986	976,960
	\$ 1,556,190	\$ 986,268

See Notes to Financial Statements

NE CENTRE OF COMMUNITY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

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 Material 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 material will be recorded when the cost can be reasonably estimated and the material 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, 2025

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 2025	Net 2024
Furniture, computers and Equipment	\$ 2,581,136	2,422,892	158,244	156,493
Signage	16,570	9,942	6,628	9,942
Building	31,429,250	14,086,362	17,342,888	18,335,175
	\$ 34,026,956	16,519,196	17,507,760	18,501,610

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, 2025

4. GOVERNMENT GRANTS AND DONATIONS

	2025	2024
City of Calgary - outdoor structure carried forward from prior year	\$ 803,791	\$ 803,791
Deferred to next year (Notes 5 and 9)	351,896	-
	<u>(1,155,687)</u>	<u>(803,791)</u>
Canadian Heritage	6,900	-
Canada Summer Jobs Grant	18,932	27,339
Calgary Arts Development	14,000	-
United Way Calgary	25,000	25,000
Alberta Government - ACSW grant	2,500	-
Credit Union Central Alberta	15,600	-
Kiima Bailey donation	914	-
Indigenous Arts	-	2,403
Canadian Red Cross	-	43,680
City of Calgary - miscellaneous grants for operations	8,321	5,299
Alberta Security Infrastructure Program	-	10,000
Spent on operations	<u>\$ 92,167</u>	<u>\$ 113,721</u>

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

	2025	2024
Beginning balance	\$ 1,642,589	\$ 1,456,543
Interest	8,206	9,024
Dividends	29,164	34,436
Realized capital gain	65,201	100,109
unrealized gain	60,837	61,779
Administration fees	(21,323)	(19,302)
	<u>\$ 1,784,674</u>	<u>\$ 1,642,589</u>

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

December 31, 2025

Capital Maintenance Reserve Fund - long term

	2025	2024
Beginning balance	\$ 4,321,202	\$ 3,834,103
Interest	21,583	23,746
Dividends	76,695	90,609
Realised capital gain	171,458	263,479
unrealized gain (loss)	160,030	162,559
Administration fees	(58,579)	(53,294)
	\$ 4,692,389	\$ 4,321,202
TOTAL SHORT AND LONG TERM	\$ 6,477,063	\$ 5,963,791
Term Deposit, unrestricted:		
Scotiabank maturing July 3, 2026 at 3%	\$ 1,050,500	\$ 1,000,000
City grant included in investment (Note 9)	(803,791)	(803,791)
Unrestricted portion	\$ 246,709	\$ 196,209

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.

	2025	2024
Carried forward from previous year	\$ 12,836,649	\$ 13,893,480
Less: Amortization	(1,011,868)	(1,056,831)
Balance to next year	\$ 11,824,781	\$ 12,836,649

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 \$4,692,390 (2024 - \$4,313,027) (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. The balance as per December 31, 2025 was \$1,784,674 (2024 - \$1,642,589) (Note 5).

NE CENTRE OF COMMUNITY SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

8. INVESTMENT INCOME

Investment income is a net amount consisting of:

	<u>2025</u>	<u>2024</u>
Interest	\$ 84,462	\$ 75,050
Dividends	105,859	125,045
Capital gain	236,658	363,588
Investment income before unrealized gain	<u>426,979</u>	<u>563,683</u>
Unrealised gain	220,867	224,339
Investment income after unrealized gain	<u>\$ 647,846</u>	<u>\$ 788,022</u>

9. EXTERNALLY RESTRICTED ASSETS/DEFERRED CASH CONTRIBUTIONS

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

	<u>2025</u>	<u>2024</u>
Casino	\$ 107,301	\$ 173,170
City of Calgary funding outdoor structures (Notes 4 & 5)	<u>1,155,687</u>	<u>803,791</u>
Total cash	<u>1,262,988</u>	<u>976,961</u>
Casino pool receivable	89,637	-
	<u>\$ 1,352,625</u>	<u>\$ 976,961</u>

10. CASINO CONTRIBUTIONS

	<u>2025</u>	<u>2024</u>
Casino beginning balance	\$ 173,170	\$ 88,378
Plus: Casino pool	-	84,863
Plus: Advisor reimbursement	2,445	1,960
Plus: Food over-charge transferred from unrestricted	-	485
Less: Bank charges	(72)	(72)
Less: Advisor fees	(2,445)	(2,444)
Less: Casino bank balance (Note 9)	<u>(107,301)</u>	<u>(173,170)</u>
Contribution to operations	<u>\$ 65,797</u>	<u>\$ -</u>

11. PROGRAMS AND SUPPLIES

	<u>2025</u>	<u>2024</u>
Revenues:		
Partnership initiatives	\$ 36,000	\$ 35,800
Other	3,305	-
Cultural festival	-	3,300
	<u>39,305</u>	<u>39,100</u>
Expenses:		
Cultural festival expenses	56,250	14,940
Partnership initiatives	15,829	19,998
	<u>72,079</u>	<u>34,938</u>
Deficiency of revenue over expenses	<u>\$ (32,774)</u>	<u>\$ 4,162</u>

NE CENTRE OF COMMUNITY SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

12. SUPPORT TO COMMUNITY GROUPS

The Society is committed to giving back to the Community it serves. In 2025, 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 \$230,000 in free or discounted space (2024 – \$204,208), including free and discounted spaces to various smaller groups for \$23,000 and \$160,000 for adult programs and partnerships.

The Society awarded \$18,000 in grants and scholarships (2024 - \$13,000), \$9,000 in low-income subsidized passes (2024 - \$9,000) and \$18,000 in supporting other community programs (2024 - \$17,000).

13. ACCOUNTS RECEIVABLE, unrestricted

	2025	2024
Intelli net clearing	\$ 280,479	\$ 242,107
Intelli	111,190	30,902
Edon Management	41,773	75,034
Interest	21,287	30,023
Calgary Board of Education	2,667	2,667
Vending Experts	489	-
Immigrant Services	306	-
YWCA	62	-
Compass Group	-	1,109
Xerox	-	7,147
Canada Summer Job Grant	-	27,339
	\$ 458,253	\$ 416,328

14. DEFERRED REVENUES

	2025	2024
Intelli - miscellaneous	\$ 57,336	\$ 66,426
CBE	7,750	13,437
	\$ 65,086	\$ 79,863

NE CENTRE OF COMMUNITY SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

15. PREPAID EXPENSES

	<u>2025</u>	<u>2024</u>
City of Calgary - insurance	\$ 28,054	\$ 31,590
ING - Performance Sponsorship Group	-	27,500
Lloyd Sadd - insurance	21,942	22,685
Intelli - subscription and licenses	5,345	8,742
Beauceron Security	1,217	-
Indigenous Teaching	-	6,000
BRZ - architectural design	-	4,845
Indigeneous Arts	-	2,403
	<u>\$ 56,558</u>	<u>\$ 103,765</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 Association 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>2025</u>	<u>2024</u>
Opening fund balance	\$ 4,232,855	\$ 4,531,195
Withdrawals	(800,000)	(800,000)
Investment income	218,611	386,354
TCF administrative and management fees	(44,990)	(49,138)
Unrealized capital gains (losses)	140,899	164,444
Ending fund balance	<u>\$ 3,747,375</u>	<u>\$ 4,232,855</u>

17. CONTINGENCY

Since the 2024 fiscal year, 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, except for the deductible, beyond insurance coverage.

18. SUBSEQUENT EVENT

In January of 2026, a patron injured himself while playing in the feature gym and has filed a complaint with The City asking for compensation. No legal claim is yet filed, but The City is looking into it through its legal/insurance team.