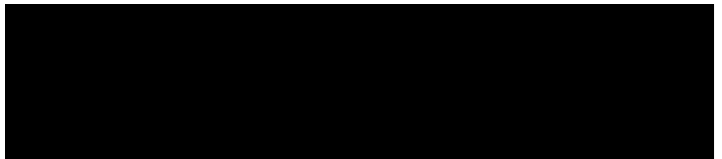


EDMONTON OILERS COMMUNITY FOUNDATION

Financial Statements

June 30, 2024





INDEPENDENT AUDITOR'S REPORT

To the Members of Edmonton Oilers Community Foundation

Opinion

We have audited the financial statements of Edmonton Oilers Community Foundation (the "Foundation"), which comprise the statement of financial position as at June 30, 2024, and the statements of revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 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 organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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. ~~In addition, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.~~

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

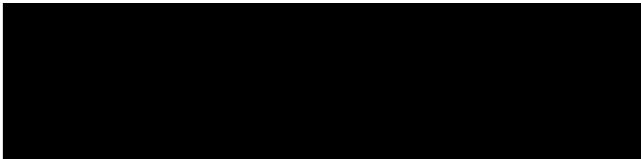

Auditor's Responsibilities for the Audit of the Financial Statements

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



EDMONTON OILERS COMMUNITY FOUNDATION**Statement of Financial Position****As at June 30, 2024**

	2024	2023
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 862,293	\$ 1,362,947
Restricted cash and cash equivalents (Note 3)	33,157,900	5,694,132
Accounts receivable	1,234,969	504,691
Prepays	81,167	72,007
	<u>35,336,329</u>	<u>7,633,777</u>
PROPERTY AND EQUIPMENT (Note 5)	<u>2,729,067</u>	<u>2,948,265</u>
	<u>\$ 38,065,396</u>	<u>\$ 10,582,042</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 19,085,857	\$ 2,408,132
Deferred contribution revenue	258,618	158,650
	<u>19,344,475</u>	<u>2,566,782</u>
COMMITMENTS (Note 6)		
	<u>18,720,921</u>	<u>8,015,260</u>
NET ASSETS	<u>\$ 38,065,396</u>	<u>\$ 10,582,042</u>

ON BEHALF OF THE BOARD_____
*Director*_____
Director

EDMONTON OILERS COMMUNITY FOUNDATION**Statement of Revenues and Expenditures****For the Year Ended June 30, 2024**

	2024	2023
RECEIPTS		
Event Night 50/50 (Schedule 1)	\$ 102,442,512	\$ 55,683,150
General fundraising (Schedule 2)	2,378,048	1,896,808
Interest revenue	678,951	555,219
Online auction	376,824	391,166
Community programming registration fees	244,292	168,278
	<u>106,120,627</u>	<u>58,694,621</u>
DISBURSEMENTS		
Event Night 50/50 (Schedule 1)	82,375,829	44,752,411
General administrative costs	1,259,666	1,288,379
General fundraising costs (Schedule 2)	1,163,784	627,826
Depreciation	740,486	351,967
Online auction	115,887	118,556
	<u>85,655,652</u>	<u>47,139,139</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS BEFORE CHARITABLE ACTIVITIES	<u>20,464,975</u>	<u>11,555,482</u>
CHARITABLE ACTIVITIES		
Charitable donations	8,626,706	13,293,877
Community programming	538,455	295,708
Seats for Kids	343,478	425,669
ICE school	131,135	129,952
DCA programming expense	119,540	116,675
	<u>9,759,314</u>	<u>14,261,881</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>\$ 10,705,661</u>	<u>\$ (2,706,401)</u>

EDMONTON OILERS COMMUNITY FOUNDATION**Statement of Changes in Net Assets****For the Year Ended June 30, 2024**

	2024					
	Unrestricted	Restricted (Note 3)	Restricted for Community Programming (Note 3)	Restricted for Community Arena (Note 3)	Restricted for Colby Cave Initiatives (Note 3)	Total
NET ASSETS - BEGINNING OF YEAR	1,551,263	2,282,017	2,904,041	810,909	467,030	8,015,260
Excess of receipts over disbursements	(187,110)	12,013,623	(976,163)	(121,639)	(23,050)	10,705,661
Inter-fund transfers	71,102	(862,268)	791,166	-	-	-
NET ASSETS - END OF YEAR	1,435,255	13,433,372	2,719,044	689,270	443,980	18,720,921

	2023					
	Unrestricted	Restricted (Note 3)	Restricted for Community Programming (Note 3)	Restricted for Community Arena (Note 3)	Restricted for Colby Cave Initiatives (Note 3)	Total
NET ASSETS - BEGINNING OF YEAR	1,782,455	7,440,896	76,776	930,208	491,326	10,721,661
Excess of receipts over disbursements	(293,819)	(1,863,379)	(405,608)	(119,299)	(24,296)	(2,706,401)
Inter-fund transfers	62,627	(3,295,500)	3,232,873	-	-	-
NET ASSETS - END OF YEAR	1,551,263	2,282,017	2,904,041	810,909	467,030	8,015,260

EDMONTON OILERS COMMUNITY FOUNDATION**Statement of Cash Flows****Year Ended June 30, 2024**

	2024	2023
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Cash receipts from donors and customers	\$ 105,053,119	\$ 58,250,223
Cash paid for prize payouts and to suppliers	(68,488,354)	(45,229,298)
Cash paid to charities	(9,087,193)	(13,834,501)
Cash paid for charitable activities	(672,121)	(427,380)
Interest received	678,951	555,219
	<u>27,484,402</u>	<u>(685,737)</u>
INVESTING ACTIVITY		
Purchase of property and equipment	(521,288)	(3,134,894)
	<u>26,963,114</u>	<u>(3,820,631)</u>
INCREASE (DECREASE) IN CASH	26,963,114	(3,820,631)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	7,057,079	10,877,710
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 34,020,193	\$ 7,057,079
CASH CONSISTS OF:		
Total cash and cash equivalents	\$ 34,020,193	\$ 7,057,079
Less: restricted cash and cash equivalents	(33,157,900)	(5,694,132)
Unrestricted cash and cash equivalents	<u>\$ 862,293</u>	<u>\$ 1,362,947</u>

EDMONTON OILERS COMMUNITY FOUNDATION

Notes to Financial Statements

Year Ended June 30, 2024

1. LEGAL FORM AND OBJECTIVES

Edmonton Oilers Community Foundation, hereinafter referred to as the "Foundation", was formed in 1990 under the Societies Act of Alberta. The Foundation is a registered charity for purposes of the Income Tax Act (Canada) and is exempt from income taxes.

The Foundation is dedicated to growing the game of hockey for kids in Oil Country at the grassroots level, building strong, vibrant, safe communities by demonstrating philanthropic leadership, and stepping up in times of community need and crisis.

2. ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

Use of estimates

The preparation of financial statements in conformity with Canadian ASNPO 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. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Estimated life of the property and equipment is the most significant item that involves the use of estimates. Actual results could differ from these estimates.

Cash and cash equivalents

The Foundation considers all highly liquid investments purchased with original maturities of one year or less at the time of purchase to be cash equivalents.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Property and equipment are depreciated over their estimated useful lives at the following rates and methods:

Leasehold improvements	5 - 10 years	straight-line over the term of the agreement
Furniture and fixtures	20%	declining balance
Equipment	20%	declining balance
Computer equipment	55%	declining balance

Contributed services and donations in kind

Volunteers contribute services to assist the Foundation in carrying out its service delivery activities. Because of the difficulty of determining the fair market value, contributed services are not recognized in the financial statements. Goods donated in kind are recognized at fair market value where deemed material by management.

Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions. General donations and contributions are recognized in the Unrestricted Fund in the period received or receivable if the amount to be received is reasonably estimable and collection is reasonably assured. Contributions received that are restricted in use by external parties for specific purposes are treated as revenue of the related restricted Fund. The Foundation may choose not to report a restricted fund separately in the financial statements. In that case, the restricted contributions are treated as deferred contributions on the Statement of Financial Position and recognized as contributions of the Unrestricted Fund as funds are spent on the specified use. If net assets are transferred from the Unrestricted Fund into a restricted Fund, it is treated as an inter-fund transfer.

Revenues received and costs incurred that relate to events of future periods are recorded as deferred contributions and prepaid assets respectively, and recognized in the Unrestricted Fund as the events occur.

EDMONTON OILERS COMMUNITY FOUNDATION

Notes to Financial Statements

Year Ended June 30, 2024

2. ACCOUNTING POLICIES (continued)

Financial instruments

The Foundation's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. 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 receipts and disbursements. All other financial instruments are reported at amortized cost, and tested for impairment when there are indications of impairment. A previously recognized impairment loss may be reversed to a maximum of the original impairment. The amount of the write-down and any subsequent reversal is recognized in income in the period realized. Transaction costs on the acquisition, sale, or issue of financial instruments that are measured at fair value are expensed when incurred. Transaction costs and financing fees incurred on the acquisition, sale, or issue of all other financial instruments are added or netted against the carrying value of the instrument and are then recognized over the expected life of the instrument using the straight-line method.

3. RESTRICTION ON NET ASSETS

The Board of Directors of the Foundation and external parties have restricted the use of net assets of \$17,285,666 (2023 - \$6,463,997) in total.

\$13,433,372 of net assets are restricted to fund future projects to be determined by the Board of Directors and are not available for other purposes without approval of the Board of Directors and the Alberta Gaming & Liquor Commission. At year-end, the net assets of the fund are comprised of \$31,956,271 of cash, \$197,714 of accounts receivable, \$13,132 of prepaids, \$78,402 of property and equipment, less accounts payable and accrued liabilities of \$18,812,147.

\$2,719,044 of net assets are restricted for the Community Programming Fund which seeks to support community programming through sport in Alberta. At year end, the net assets of the fund are comprised of \$76,776 of cash and \$2,642,268 of property and equipment. \$76,776 of cash was received through the National Hockey League's Industry Growth Fund which was established to promote the growth of the game of hockey through community initiatives. The Edmonton Oilers Hockey Club matched the funding and forwarded the total amount to the Foundation. The amount is restricted for future community hockey initiatives. \$521,288 of property and equipment was invested in the development of Fan Park during the year.

\$689,270 of net assets are restricted for the Downtown Community Arena ("DCA") Fund which was established to provide programs in the DCA targeted at low-income and high needs residents of Edmonton. The DCA Fund is jointly administered and the programs are collaboratively planned and implemented with the Oilers Entertainment Group and the City of Edmonton. At year-end, the net assets of the fund are comprised of \$680,873 of cash and \$8,397 of property and equipment. The cash is restricted to fund future operating commitments of the DCA Fund.

\$443,980 of net assets are for the Colby Cave Memorial Fund which was established after the sudden passing of former Edmonton Oilers player Colby Cave, to provide support to initiatives and charitable organizations in Colby Cave's honour. At year-end, the net assets are comprised of \$443,980 of cash. The cash is restricted to fund donations and programming in Colby Cave's honour.

EDMONTON OILERS COMMUNITY FOUNDATION

Notes to Financial Statements

Year Ended June 30, 2024

4. AMOUNTS DUE FROM / TO AND TRANSACTIONS WITH ASSOCIATED PARTIES

Through its affiliation with the Edmonton Oilers Hockey Club ("EOHC"), the Foundation enters into various transactions with EOHC and its related entities. While the Foundation is dependant on the continued affiliation with EOHC and certain members of the board of directors are employed by entities related to EOHC, the Foundation is not controlled by EOHC and the majority of the board are third party members of the community. Transactions with EOHC and its related entities are recorded at the exchange amount as mutually agreed to by the parties.

The Foundation entered into transactions with Win50, an entity controlled by the shareholder of the EOHC, totaling \$28,322,901 (2023 - \$15,404,654) of license and rights fees, of which \$2,499 (2023 - \$27,901) remains in accounts payable and accrued liabilities at year end.

The Foundation has entered into a license agreement with Ice District Fan Park Corp., an entity controlled by the shareholder of the EOHC, ending on December 31, 2027. The Foundation will pay license fees for each event booking which will be agreed upon in writing. Each party will be responsible for its respective costs and expenses incurred in fulfilling obligations under this agreement. During the year, the Foundation hosted six events at the Fan Park, which resulted in license fees of \$86,625 (2023 - \$nil) paid. During the year, the Foundation invested \$259,632 (2023 - \$2,833,101) in improvements to the Fan Park space which Ice District Fan Park Corp. will have access to for its use and for which it will not be reimbursed. At the end of the licensing agreement in 2027, the Foundation will not have access to the improvements unless the license agreement is renewed.

The Foundation does not directly employ or provide remuneration to employees. Administration and other contract services are provided by a company controlled by the shareholder of the EOHC. In the year total contract services of \$1,173,157 (2023 - \$1,109,833) were provided.

Included in the year-end financial statements are accounts receivable amounts due from associated companies totaling \$241,753 (2023 - \$14,822) and accounts payable amounts due to associated companies totaling \$193,910 (2023 - \$107,659).

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated depreciation	2024 Net book value	2023 Net book value
<i>Restricted - Community Programming (Note 3)</i>				
Leasehold improvements	\$ 3,092,733	\$ 901,768	\$ 2,190,965	\$ 2,549,791
Furniture and equipment	569,960	118,657	451,303	277,474
	<u>3,662,693</u>	<u>1,020,425</u>	<u>2,642,268</u>	<u>2,827,265</u>
<i>Restricted (Note 3)</i>				
Leasehold improvements	314,768	238,827	75,941	107,418
Furniture and equipment	12,978	10,528	2,450	3,062
Computer equipment	4,073	4,062	11	24
	<u>331,819</u>	<u>253,417</u>	<u>78,402</u>	<u>110,504</u>
<i>Restricted - DCA (Note 3)</i>				
Equipment	22,778	14,381	8,397	10,496
	<u>\$ 4,017,290</u>	<u>\$ 1,288,223</u>	<u>\$ 2,729,067</u>	<u>\$ 2,948,265</u>

EDMONTON OILERS COMMUNITY FOUNDATION

Notes to Financial Statements

Year Ended June 30, 2024

6. CONTINGENCIES AND COMMITMENTS

The Board of Directors of the Foundation have committed to fund charitable activities and donations to various local organizations in the future as follows:

	Unrestricted	Restricted	Total
2025	\$ -	\$ 2,236,000	\$ 2,236,000
2026	-	1,081,000	1,081,000
2027	-	131,000	131,000
	<u>\$ -</u>	<u>\$ 3,448,000</u>	<u>\$ 3,448,000</u>

7. RISK MANAGEMENT ACTIVITIES

The Foundation has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, interest rate risk and liquidity risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Foundation mitigates this risk by dealing only with what management believes to be financially sound counterparties and accordingly does not anticipate significant loss for non-performance.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation's guaranteed investment certificates bear interest at variable interest rates.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Receipts from fundraising and donations allow the Foundation to meet their cash requirements.

EDMONTON OILERS COMMUNITY FOUNDATION**Event Night 50/50 Receipts and Disbursements****(Schedule 1)****Year Ended June 30, 2024**

	2024	2023
RECEIPTS		
50/50	<u>\$ 102,442,512</u>	<u>\$ 55,683,150</u>
DISBURSEMENTS		
Prize pay-outs	51,286,377	27,814,353
License and rights fees (Note 4)	28,331,901	15,408,654
General and administrative costs	<u>2,757,551</u>	<u>1,529,404</u>
	<u>82,375,829</u>	<u>44,752,411</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	<u>\$ 20,066,683</u>	<u>\$ 10,930,739</u>

General Fundraising Receipts and Disbursements**(Schedule 2)****Year Ended June 30, 2024**

	2024	2023
RECEIPTS		
Special events	\$ 1,237,688	\$ 764,721
Donations	582,899	463,850
Seats for Kids	343,478	425,669
License plate program	87,286	72,490
Retail	58,809	96,234
Hunter appearances	36,888	42,844
Centennial Greatest Celebration	25,000	25,000
Molson 3 Cup Stars	<u>6,000</u>	<u>6,000</u>
	<u>2,378,048</u>	<u>1,896,808</u>
DISBURSEMENTS		
Cost of fundraising	<u>1,163,784</u>	<u>627,826</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	<u>\$ 1,214,264</u>	<u>\$ 1,268,982</u>