Financial Statements of

CALGARY FLAMES FOUNDATION

And Independent Practitioner's Review Engagement

Report thereon

For the year ended June 30, 2024

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Calgary Flames Foundation

We have reviewed the accompanying financial statements of Calgary Flames Foundation, which comprise the statement of financial position as at June 30, 2024, the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes, comprising 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, 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

Conclusion

Based on our review, 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 Calgary Flames Foundation as at June 30, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada
September 23, 2024

CALGARY FLAMES FOUNDATION

Statement of Financial Position

As at June 30, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash – Unrestrictred (note 3)	$ 2,294,235	$ 12,016
Cash – Internally restricted (note 3)	1,975,250	1,927,500
Investments – Unrestricted (note 3)	8,739,191	8,021,000
Investments – Internally restricted (note 3)	1,282,000	2,979,000
Accounts receivable (note 6)	356,593	625,614
Prepaid expenses	26,109	12,107
GST recoverable	72,318	36,432
	14,745,696	13,613,669
Equipment (note 5)	75,707	–
	$14,821,403	$13,613,669
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	$ 397,457	$ 266,386
Deferred revenue	215,730	55,000
	613,187	321,386
Net assets:		
Internally restricted for donation commitments (note 8)	3,257,250	4,906,500
Unrestricted	10,950,966	8,385,783
	14,208,216	13,292,283
	$14,821,403	$13,613,669

See accompanying notes to financial statements.

Approved by the Board:

Director

Director

CALGARY FLAMES FOUNDATION

Statement of Operations

For the year ended June 30, 2024, with comparative information for 2023

	2024	2023
Revenue:		
50/50 raffles	$ 3,951,903	$ 2,744,605
Fundraising events	945,664	1,140,837
Interest	674,577	480,729
Donations	373,412	366,732
Other revenue	122,847	177,224
Sponsorship	58,111	109,188
	6,126,514	5,019,315
General and administrative expenses:		
Personnel (note 6)	342,226	260,738
Advertising	80,778	101,066
Bank charges	33,847	33,761
Professional fees	33,351	42,687
Community and promotion	23,982	20,697
Office and general	11,954	8,380
Other	5,395	7,326
	531,533	474,655
Excess of revenue over expenses before disbursements and amortization	5,594,981	4,544,660
Charitable disbursements and programs	(4,670,674)	(4,958,069)
Surplus (deficit) before amortization	924,307	(413,409)
Amortization	(8,374)	(6,012)
Surplus (deficit) for the year	$ 915,933	$ (419,421)

See accompanying notes to financial statements.

CALGARY FLAMES FOUNDATION

Statement of Changes in Net Assets

For the year ended June 30, 2024, with comparative information for 2023

	Internally restricted	Unrestricted	2024 Total	2023 Total
Net assets, beginning of the year	$ 4,906,500	$ 8,385,783	$ 13,292,283	$ 13,711,704
(Deficit) surplus for the year	(1,649,250)	2,565,183	915,933	(419,421)
Net assets, end of year	$ 3,257,250	$ 10,950,966	$ 14,208,216	$ 13,292,283

See accompanying notes to financial statements.

CALGARY FLAMES FOUNDATION

Statement of Cash Flows

For the year ended June 30, 2024, with comparative information for 2023

	2024	2023
Cash, provided by (used in):		
Operating:		
Surplus (deficit) for the year	$ 915,933	$ (419,421)
Add item not involving cash:		
Amortization	8,374	6,012
	924,307	(413,409)
Change in non-cash working capital		
Increase in deferred revenue	48,000	–
Change in other non-cash operating working capital (note 4)	510,934	(633,428)
	1,435,241	(1,046,837)
Investing:		
Proceeds on redemption of (investment in) unrestricted and internally restricted investments	978,809	(7,000,000)
Acquisition of equipment	(84,081)	–
	894,728	(7,000,000)
Increase (decrease) in cash	2,329,969	(8,046,837)
Cash, beginning of the year	1,939,516	9,986,353
Cash, end of year (note 3)	$ 4,269,485	$ 1,939,516

Cash is comprised of:

	2024	2023
Cash – Unrestricted (note 3)	$ 2,294,235	$ 12,016
Cash – Internally restricted (note 3)	1,975,250	1,927,500
	$ 4,269,485	$ 1,939,516

See accompanying notes to financial statements.

1. Nature of operations:

Calgary Flames Foundation (the "Foundation") is a registered non-profit organization. The Foundation is incorporated under the Companies Act of Alberta as a not-for-profit organization. The Foundation is committed to supporting education, health and medical research, and amateur and grassroots sports in Calgary and raises funds throughout the year for these key areas. Fundraising initiatives include contests and special events such as celebrity poker and golf tournaments. The Foundation carries out 50/50 raffles at Calgary Flames, Calgary Wranglers, Calgary Roughnecks, and Calgary Stampeders games which are regulated by the Alberta Gaming Liquor and Cannabis Commission ("AGLC").

As a registered non-profit organization under Section 149(1)(f) of the Income Tax Act, the Foundation is exempt from income taxes; therefore, no provision for income taxes is recorded in the financial statements.

2. Significant accounting policies:

(a) Cash:

Cash consists of cash on hand, deposits with third-party Canadian financial institutions and is reduced by cheques issued in excess of cash.

(b) Investments:

Investments are highly-liquid investments redeemable on demand.

(c) Equipment:

Equipment is recorded at cost less accumulated amortization and is amortized over its useful life as follows:

Asset	Method	Rate
Furniture and fixtures	Straight-line	3 years
Computer hardware and software	Declining balance	20%
Equipment	Declining balance	20%

(d) Revenue recognition:

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Deposits for events that have not occurred are deferred and recognized at the time of the event.

Revenues and related expenses generated from certain programs are reported as net amounts within the financial statements.

2. Significant accounting policies (continued):

(e) Contributed materials and services:

Volunteers contribute labour each year to assist the Foundation in delivering its services. Due to the difficulty in determining fair value, contributed services are not recognized in the financial statements.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount of timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(g) Use of estimates:

The preparation of financial statements of the Foundation are in conformity with Canadian accounting standards for not-for-profit organizations which requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period.

There are no specific items subject to significant measurement uncertainty.

3. Internally restricted funds and unrestricted funds:

Funds are comprised of cash deposits and investments in redeemable guaranteed investment certificates ("GICs") that are held in a major Canadian bank that may be internally restricted by virtue of donation commitments made by the Foundation.

2024	Cash	Investments	Total Funds
Unrestricted funds available for other charitable purposes	$ 2,294,235	$ 8,739,191	$ 11,033,426
Internally restricted funds (note 8)	1,975,250	1,282,000	3,257,250
Total funds, unrestricted and restricted	$ 4,269,485	$ 10,021,191	$ 14,290,676

2023	Cash	Investments	Total Funds
Unrestricted funds available for other charitable purposes	$ 12,016	$ 8,021,000	$ 8,033,016
Internally restricted funds	1,927,500	2,979,000	4,906,500
Total funds, unrestricted and restricted	$ 1,939,516	$ 11,000,000	$ 12,939,516

All GIC's held are redeemable and in compliance with AGLC requirements. As such, GIC's are classified as short term investments. Total GIC's held at June 30, 2024 were $10,021,191, bearing interest of 4.75%, with a maturity date of April 25, 2025 (2023 – GIC's held were $11,000,000, bearing interest of 5.2%, with a maturity date of April 25, 2024).

4. Changes in non-cash working capital:

	2024	2023
Changes in non-cash working capital:		
Accounts receivable	$ 269,021	$ (544,032)
GST recoverable	(35,886)	(30,723)
Prepaid expenses	(14,002)	(12,107)
Accounts payable and accrued liabilities	131,071	(53,566)
Deferred revenue	160,730	7,000
	$ 510,934	$ (633,428)

5. Equipment:

2024	Cost	Accumulated amortization	Net book value
Computer hardware and software	$ 236,929	$ (236,929)	$ –
Furniture and fixtures	19,280	(19,280)	–
Equipment	84,081	(8,374)	75,707
	$ 340,290	$ (264,583)	$ 75,707

2023	Cost	Accumulated amortization	Net book value
Computer hardware and software	$ 236,929	$ (236,929)	$ –
Furniture and fixtures	19,280	(19,280)	–
Equipment	–	–	–
	$ 256,209	$ (256,209)	$ –

6. Related party transactions:

The Calgary Flames Limited Partnership ("CFLP") exercises significant influence over the Foundation by virtue of the Board members consisting, in part, of CFLP employees and representatives of owners. Related party transactions during the year not separately disclosed in the financial statements include reimbursements and purchases of goods and services from CFLP for fundraising events and raffles in the amount of $662,161 (2023 – $835,891), which amount includes $447,481 (2023 – $469,000) for reimbursement of payments made to third parties by CFLP on behalf of the Foundation. Additionally, allocations from CFLP with respect to payroll expenses were made in the amount of $342,226 (2023 – $261,000). Accounts payable includes amounts due to CFLP in the amount of $48,128 (2023 – accounts receivable of $393,513). CFLP provides office space, equipment and support services at no charge to the Foundation including event planning, event ticketing, marketing and creative services, accounting, regulatory compliance, information technology and communications.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. Financial instruments and risk:

The Foundation has assessed the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include interest rate risk, liquidity risk, and market (other price) risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

(a) Interest rate risk:

Interest rate risk arises on cash. The Foundation is exposed to interest rate risk due to fluctuations in bank's interest rates.

(b) Credit risk:

Accounts receivable are subject to minimal liquidity risk as the majority of receivables relate to GST refunds or amounts that have been collected subsequent to year end.

The Foundation is exposed to credit risk on its GICs. The Foundation manages this risk by depositing cash and GICs with large financial institutions.

(c) Market risk:

Market risk is the risk that change in market prices, interest rate levels, indices, liquidity and other market factors will result in losses. The Foundation is not exposed to significant market risk.

(d) Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation does not believe this is a significant risk.

There have been no significant changes to the risk exposures from June 30, 2023.

8. Donation commitments and internally restricted net assets:

The Foundation has an internally restricted reserve fund which is made up of donation commitments that the Foundation has made in respect of future periods. The commitments made are as follows:

	2024-2025	2025-2026	2026-2027	2027-2028	Total
YMCA Calgary	$ 250,000	$ 250,000	$ 250,000	$ –	$ 750,000
CFF Inclusion Program	500,000	–	–	–	500,000
Rotary Flames House - ACHF	250,000	250,000	250,000	–	750,000
APPLE Schools Foundation	300,000	100,000	–	–	400,000
EvenStrength Program	150,000	–	–	–	150,000
Classroom Champions	128,250	–	–	–	128,250
Kidsport - Flames Community League	60,000	–	–	–	60,000
Kidsport - Jr. Flames Program	45,000	–	–	–	45,000
Kidsport - Calgary Try Hockey	20,000	–	–	–	20,000
Kidsport - Coach Leadership	10,000	–	–	–	10,000
Post Secondary Hockey Programs	140,000	140,000	–	–	280,000
Flames Sports Bank	100,000	–	–	–	100,000
Kidsport - Ken King Community Awards	10,000	10,000	10,000	10,000	40,000
Post-Secondary Scholarships	12,000	12,000	–	–	24,000
	$ 1,975,250	$ 762,000	$ 510,000	$ 10,000	$ 3,257,250