

FORT EDMONTON FOUNDATION
Financial Statements
Year Ended December 31, 2025

FORT EDMONTON FOUNDATION
Index to Financial Statements
Year Ended December 31, 2025

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 14

INDEPENDENT AUDITOR'S REPORT

To the Members of Fort Edmonton Foundation

Opinion

We have audited the financial statements of Fort Edmonton Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation 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 organizations.

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.

Other Information

Management is responsible for the other information which comprises the Annual Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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.

In preparing the financial statements, 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.

(continues)

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.

King + Company

Edmonton, AB
June 16, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS

FORT EDMONTON FOUNDATION**Statement of Financial Position****As at December 31, 2025**

	2025	2024
ASSETS		
CURRENT		
Cash (Note 2)	\$ 151,480	\$ 54,887
Accounts receivable (Note 3)	4,251	31,610
Prepaid expenses	3,941	2,207
	<u>159,672</u>	88,704
CASH HELD FOR DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS AND PARK DEVELOPMENT (Notes 2, 13)	2,628,874	2,654,523
CASH AND INVESTMENTS HELD FOR RESTRICTED FUNDS (Note 4)	575,735	819,838
EQUIPMENT (Note 5)	600	18,800
STEAM RAILWAY ROLLING STOCK COLLECTION (Note 6)	429,651	429,651
	<u>\$ 3,794,532</u>	<u>\$ 4,011,516</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	\$ 35,929	\$ 31,205
DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS AND PARK DEVELOPMENT (Notes 8, 13)	2,628,874	2,654,523
	<u>2,664,803</u>	<u>2,685,728</u>
COMMITMENTS (Note 14)		
NET ASSETS		
Externally restricted (Note 11)	429,651	429,651
Restricted for endowment purposes (Notes 4, 11)	239,593	227,833
Internally restricted (Notes 4, 11)	336,142	592,005
Unrestricted (Note 11)	124,343	76,299
	<u>1,129,729</u>	<u>1,325,788</u>
	<u>\$ 3,794,532</u>	<u>\$ 4,011,516</u>

ON BEHALF OF THE BOARD

Treasurer

FORT EDMONTON FOUNDATION**Statement of Operations****Year Ended December 31, 2025**

	2025	2024
REVENUE		
Donations and fundraising <i>(Note 10)</i>	\$ 227,456	\$ 367,034
Investment <i>(Note 9)</i>	145,671	183,757
Deferred contributions related to operations and park development utilized <i>(Note 8)</i>	61,053	294,966
Membership	1,307	-
Grants	-	18,431
History book sales and other	-	883
Transferred to deferred contributions related to operations and park development <i>(Notes 9, 10)</i>	(35,404)	(169,741)
	<u>400,083</u>	<u>695,330</u>
EXPENSES		
Salaries and benefits	350,137	232,532
Fundraising	64,645	81,825
Office	52,004	77,156
Contracted services	51,921	52,413
Print and promotional materials	43,518	58,976
Professional fees	16,647	12,798
Park development	10,891	240,000
Loss on disposal of equipment	5,800	-
Amortization of equipment	579	255
	<u>596,142</u>	<u>755,955</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (196,059)</u>	<u>\$ (60,625)</u>

FORT EDMONTON FOUNDATION
Statement of Changes in Net Assets
Year Ended December 31, 2025

	2024 Balance	Excess (deficiency) of revenue over expenses	Transfers	2025 Balance
Externally restricted <i>(Note 11)</i>	\$ 429,651	\$ -	\$ -	\$ 429,651
Restricted for endowment purposes <i>(Note 11)</i>	227,833	11,760	-	239,593
Internally restricted <i>(Note 11)</i>	592,005	44,137	(300,000)	336,142
Unrestricted <i>(Note 11)</i>	76,299	(251,956)	300,000	124,343
	<u>\$ 1,325,788</u>	<u>\$ (196,059)</u>	<u>\$ -</u>	<u>\$ 1,129,729</u>

	2023 Balance	Excess (deficiency) of revenue over expenses	Transfers	2024 Balance
Externally restricted <i>(Note 11)</i>	\$ 429,651	\$ -	\$ -	\$ 429,651
Restricted for endowment purposes <i>(Note 11)</i>	201,735	26,098	-	227,833
Internally restricted <i>(Note 11)</i>	534,063	57,942	-	592,005
Unrestricted <i>(Note 11)</i>	220,664	(144,665)	-	76,299
	<u>\$ 1,386,113</u>	<u>\$ (60,625)</u>	<u>\$ -</u>	<u>\$ 1,325,788</u>

FORT EDMONTON FOUNDATION**Statement of Cash Flows****Year Ended December 31, 2025**

	2025	2024
OPERATING ACTIVITIES		
Cash receipts from donors and fundraising	\$ 310,633	\$ 412,975
Cash receipts from investments	91,160	127,494
Cash receipts from grants	-	18,431
Cash paid to suppliers and employees	<u>(592,574)</u>	<u>(763,815)</u>
Cash flow used by operating activities	<u>(190,781)</u>	<u>(204,915)</u>
INVESTING ACTIVITIES		
Proceeds from disposal of long-term investments, net	244,103	-
Proceeds on disposal of equipment	18,800	-
Purchase of long-term investments, net	-	(84,041)
Purchase of equipment	<u>(1,178)</u>	<u>-</u>
Cash flow from (used by) investing activities	<u>261,725</u>	<u>(84,041)</u>
INCREASE (DECREASE) IN CASH	70,944	(288,956)
CASH - BEGINNING OF YEAR	<u>2,709,410</u>	<u>2,998,366</u>
CASH - END OF YEAR	<u>\$ 2,780,354</u>	<u>\$ 2,709,410</u>
CASH CONSISTS OF:		
Cash	\$ 151,480	\$ 54,887
Long-term cash	<u>2,628,874</u>	<u>2,654,523</u>
	<u>\$ 2,780,354</u>	<u>\$ 2,709,410</u>

FORT EDMONTON FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2025

PURPOSE AND GOVERNANCE OF THE ORGANIZATION

Purpose

Fort Edmonton Foundation (the "Foundation") is a not-for-profit organization established to develop and promote Fort Edmonton Park in Edmonton, Alberta.

The vision of the Foundation is "to raise funds for and promote an internationally acclaimed living history experience."

The Foundation is incorporated under the laws of Alberta and is a registered charity under the Income Tax Act.

Governance

The Foundation consists of up to 50 members, the majority of whom must be residents of The City of Edmonton. Each member has a vote, and is admitted to membership by the Foundation's directors. At each annual general meeting of members the existing board of directors retires and the members elect a new board. Retiring directors are eligible for re-election. There must be between 5 and 20 directors, none of whom are remunerated. The board meets several times a year to direct the business of the Foundation. The directors must present audited annual financial statements for the Foundation at each annual general meeting of members.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions and related interest are recognized in revenue in the year in which the related expenses are incurred. Unrestricted contributions and other revenue are recognized in revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from all other sources is included in revenue in the year in which it is received or receivable and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Government Assistance

Government assistance for current expenses is recorded as other income. Government assistance for acquiring fixed assets is recorded as a reduction of the cost of related assets.

Contributed Services

Materials and services contributed to the Foundation are not recorded unless their fair value can be reasonably estimated. During the year, there were nil (2024 - \$1,200) in materials received and recorded as unrestricted donations and fundraising revenue and fundraising expenses on the statement of operations.

(continues)

FORT EDMONTON FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign Currency Translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenue and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

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

Financial Instruments

Initial Measurement

The Foundation initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Foundation is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the company in the transaction.

Subsequent Measurement

The Foundation subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in earnings in the period incurred.

Financial assets measured at amortized cost using the straight-line method include cash and accounts receivable. Financial liabilities measured at amortized cost using the straight-line method include accounts payable and accrued liabilities.

Transaction Costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in earnings in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in earnings over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the Foundation determines whether there are indications of possible impairment. When there are, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in earnings. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in earnings.

(continues)

FORT EDMONTON FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash

Cash is comprised of cash held with financial institutions.

Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized over its estimated useful life at 33% using the straight-line method.

Steam Railway Rolling Stock Collection

The steam railway rolling stock collection is stated at cost. The steam railway rolling stock collection is not amortized because it is estimated to have a virtually unlimited life.

Cloud Computing Arrangements

The Foundation applies the simplification method to expenditures in a cloud computing arrangement that fall within the scope of AcG20, Customer's Accounting for Cloud Computing Arrangements. Under this method, expenditures are treated as a supply of services and recognized as an expense when the Association receives the service. Expenditures related to implementation activities are expensed as incurred.

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. 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.

2. CASH

	<u>2025</u>	<u>2024</u>
<u>Unrestricted (current)</u>		
Cash	\$ 151,480	\$ 54,887
<u>Externally restricted (long-term)</u>		
Park development - capital projects	2,540,391	\$ 2,541,604
Operations (gaming)	88,483	112,919
	<u>2,628,874</u>	<u>2,654,523</u>
	<u>2,780,354</u>	<u>\$ 2,709,410</u>

Externally restricted cash represents restricted revenue received for projects described in Note 8. Gaming funds are restricted to expenses approved by the Alberta Gaming, Liquor and Cannabis Commission (gaming).

FORT EDMONTON FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2025

3. ACCOUNTS RECEIVABLE

	2025	2024
Donations and other	\$ 3,301	\$ 30,606
Goods and services tax	950	1,004
	<u>\$ 4,251</u>	<u>\$ 31,610</u>

4. CASH AND INVESTMENTS HELD FOR RESTRICTED FUNDS

	2025	2024
<u>Internally restricted</u>		
Marketable securities	\$ 183,828	\$ 295,062
Fixed income	150,456	294,630
Cash	1,858	2,313
	<u>336,142</u>	<u>592,005</u>
<u>Restricted for endowment purposes</u>		
Invested with Edmonton Community Foundation	239,593	227,833
	<u>\$ 575,735</u>	<u>\$ 819,838</u>

5. EQUIPMENT

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Office equipment	\$ 18,710	\$ 18,110	\$ 600	\$ -
Donor wall	11,992	11,992	-	-
Software	8,995	8,995	-	-
Vintage truck	-	-	-	18,800
	<u>\$ 39,697</u>	<u>\$ 39,097</u>	<u>\$ 600</u>	<u>\$ 18,800</u>

6. STEAM RAILWAY ROLLING STOCK COLLECTION

The Foundation owns a steam railway in Fort Edmonton Park called the Edmonton, Yukon & Pacific Railway, named after the first railway built in Edmonton. The steam railway comprises a locomotive and several train cars. The locomotive and train cars were originally built in the early 1900's. It is available for the public as a train ride which is included in admission to Fort Edmonton Park.

The Foundation has an agreement with the City of Edmonton not to remove any rolling stock from the park without the approval of the City and the City maintains a right of first refusal for the purchase of the stock.

FORT EDMONTON FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2025

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Trade	\$ 21,232	\$ 22,139
Vacation	9,547	6,117
Government remittances	5,150	2,949
	<u>\$ 35,929</u>	<u>\$ 31,205</u>

8. DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS AND PARK DEVELOPMENT

Deferred contributions represent resources externally restricted by donors for the following:

	2025	2024
Park development - capital projects	\$ 2,540,391	\$ 2,541,604
Operations (gaming)	88,483	112,919
	<u>\$ 2,628,874</u>	<u>\$ 2,654,523</u>

Changes in deferred contributions are as follows:

Balance - beginning of year	\$ 2,654,523	\$ 2,779,748
Donations and fundraising (Note 10)	32,277	169,741
Interest from casino and raffle accounts (Note 9)	3,127	-
Recognized as revenue	<u>(61,053)</u>	<u>(294,966)</u>
Balance - end of year	<u>\$ 2,628,874</u>	<u>\$ 2,654,523</u>

9. INVESTMENT

	2025	2024
Interest and dividends	\$ 91,161	\$ 127,495
Unrealized gain from change in market value of investments	51,383	56,262
Interest from casino and raffle accounts	3,127	-
Gross investment revenue	<u>145,671</u>	<u>183,757</u>
Allocated to deferred contributions related to operations and park development	<u>(3,127)</u>	<u>-</u>
	<u>\$ 142,544</u>	<u>\$ 183,757</u>

FORT EDMONTON FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2025

10. DONATIONS AND FUNDRAISING

Gross donations and fundraising by the Foundation was comprised of the following for the year-ending December 31:

	<u>2025</u>	<u>2024</u>
Donations	\$ 106,680	\$ 196,150
Events	98,178	55,063
Casino and raffle	<u>22,598</u>	<u>115,821</u>
Gross funds	227,456	367,034
Allocated to deferred contributions related to operations and park development	<u>(32,277)</u>	<u>(169,741)</u>
Unrestricted donations and fundraising	<u>\$ 195,179</u>	<u>\$ 197,293</u>

11. NET ASSETS

Externally Restricted

The disposal of the steam railway rolling stock is restricted by the City of Edmonton. As a result, net assets equal to the net book value of the steam railway rolling stock are externally restricted.

Restricted for Endowment

Net assets restricted for endowment purposes is subject to externally imposed restrictions stipulating that the resources be maintained permanently with an annual maximum 5 percent encroachment on capital.

Internally Restricted

Internally restricted funds have been restricted by the Board for long-term investing. The funds cannot be utilized without Board approval.

Unrestricted

Unrestricted funds are available for use by the Board for future operations and capital projects.

FORT EDMONTON FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2025

12. PARK DEVELOPMENT EXPENDITURES

Funds raised by the Foundation and spent on park development over the past 20 years are as follows:

Midway and Exhibition	\$	3,100,510
Blatchford Aviation Hanger Kitchen		2,178,720
Hotel Selkirk		251,612
Train Station		240,000
1905 Street		227,909
Capitol Theatre		195,545
Tom Thumb Mini-Golf		137,808
Indigenous Peoples Experience		134,986
Blatchford Field Aviation Hangar		59,554
Rotary Legacy Project		59,224
Other		46,566
1920 Street		30,862
		<u>6,663,296</u>
	\$	<u>6,663,296</u>

13. SUMMARY OF EXTERNALLY RESTRICTED ACCOUNTS

The following is a summary of the externally restricted assets and liabilities included on the Statement of Financial Position:

	<u>2025</u>	<u>2024</u>
Assets		
Cash	\$ 2,628,874	\$ 2,654,523
Liabilities		
Deferred contributions related to operations and park development	\$ 2,628,874	\$ 2,654,523

14. COMMITMENTS

The Foundation is in agreement with the City of Edmonton to provide payment of up to \$2,000,000 for the costs incurred for Train Station Renovation project. Payments for this project can be made up until December 31, 2026.

FORT EDMONTON FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2025

15. FINANCIAL INSTRUMENTS

The Foundation 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 Foundation's risk exposure and concentration as of December 31, 2025.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation's financial instruments that are exposed to credit risk are primarily cash and accounts receivable. The Foundation maintains its cash with a major financial institution. Accounts receivable are principally with government entities.

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 Foundation manages exposure through its normal operating and financing activities. The Foundation is exposed to interest rate risk primarily through its cash and long-term investments.

16. ADDITIONAL INFORMATION TO COMPLY WITH THE DISCLOSURE REQUIREMENT OF THE CHARITABLE FUNDRAISING ACT AND REGULATION

Gross contributions received were \$230,634 (2024 - \$367,034).

Gross contributions received were used for park development.

There was 1 employee (2024 - 1 employee) whose principal duties involved fundraising. The total amount paid as remuneration was \$30,150 (2024 - 22,309).

17. COMPARATIVE FIGURES

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