

Saskatchewan Sports Hall of Fame and Museum Inc.

Financial Statements

For the year ended March 31, 2018

Management's Responsibility for the Financial Statements

The accompanying financial statements of Saskatchewan Sports Hall of Fame and Museum Inc. have been prepared by the organization's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgement and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The board of directors has reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, Virtus Group LLP, and their report is presented separately.


Executive Director

INDEPENDENT AUDITORS' REPORT



**VIRTUS
GROUP**
Chartered Professional Accountants
& Business Advisors LLP

To the Board of Directors

We have audited the accompanying financial statements of **Saskatchewan Sports Hall of Fame and Museum Inc.** which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets, and cash flows for the year then ended, and 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 assessments, the auditor considers internal control relevant to the organization'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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many non-profit organizations, the Saskatchewan Sports Hall of Fame and Museum Inc. derives revenues from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue was limited to accounting for amounts recorded in the records of the Organization. As a result, we were not able to determine whether any adjustments might be necessary in respect of revenues, assets, liabilities or net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenues as referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

May 22, 2018
Regina, Saskatchewan

VIRTUS GROUP LLP
Chartered Professional Accountants

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.

Statement of Financial Position As at March 31, 2018 with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets		
Cash	\$ 85,292	\$ 110,439
GST receivable	4,972	7,632
Accounts receivable	-	490
Prepaid expenses	9,285	12,546
	<u>99,549</u>	<u>131,107</u>
Tangible capital assets (Note 4)	48,916	65,221
Life insurance cash surrender value (Note 3)	74,699	65,470
Investment In Sport Legacy Fund (Note 3)	37,295	31,231
	<u>\$ 260,459</u>	<u>\$ 293,029</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 7,258	\$ 7,977
Accounts payable - sport history	22,228	19,935
Deferred revenue (Note 5)	111,994	96,701
	<u>141,480</u>	<u>124,613</u>
Net Assets		
Restricted surplus (Note 6)	118,979	168,416
Unrestricted surplus	-	-
	<u>118,979</u>	<u>168,416</u>
	<u>\$ 260,459</u>	<u>\$ 293,029</u>

See the accompanying notes to the financial statements

APPROVED ON BEHALF OF THE BOARD

 Director

 Director

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.

**Statement of Changes in Net Assets
For the year ended March 31, 2018 with comparative figures for 2017**

	Restricted surplus	Unrestricted surplus	Total 2018	Total 2017
Balance, beginning of year	\$ 168,416	\$ -	\$ 168,416	\$ 138,111
(Deficiency) of revenue over expenses for the year	-	(49,437)	(49,437)	30,305
Inter-fund transfer	(49,437)	49,437	-	-
Balance, end of year	\$ 118,979	\$ -	\$ 118,979	\$ 168,416

See the accompanying notes to the financial statements

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.

Statement of Operations For the year ended March 31, 2018 with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
Revenue		
Saskatchewan Lotteries Trust Fund categorical grants		
Annual operating grant	\$ 369,700	\$ 358,900
Membership Assistance Program	43,900	42,100
Sport history (Schedule 6)	25,000	23,938
Induction dinner	55,934	-
Memberships	14,893	14,807
Self help (Schedule 1)	91,775	312,291
	<u>601,202</u>	<u>752,036</u>
Expenses		
Administration (Schedule 2)	192,731	173,705
Fundraising (Schedule 3)	5,541	4,590
MAP grants (Note 10)	43,900	43,900
Programming (Schedule 4)	136,203	229,370
Salaries and benefits	247,264	246,228
Sports history (Schedule 6)	25,000	23,938
	<u>650,639</u>	<u>721,731</u>
Excess (Deficiency) of revenue over expenses for the year	<u>\$ (49,437)</u>	<u>\$ 30,305</u>

See the accompanying notes to the financial statements

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.

Statement of Cash Flows
For the year ended March 31, 2018 with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
Cash provided by (used in):		
Operating activities:		
Excess (Deficiency) of revenue over expenses for the year	\$ (49,437)	\$ 30,305
Items not involving cash:		
Amortization	16,305	16,305
Changes to non-cash working capital items:		
GST receivable	2,660	(1,825)
Accounts receivable	490	(490)
Prepaid expenses	3,261	(4,774)
Accounts payable and accrued liabilities	1,574	1,290
Deferred revenue	15,293	(58,675)
	<u>(9,854)</u>	<u>(17,864)</u>
Investing activities:		
Purchase of tangible capital assets	-	(81,526)
Net increase in investments	<u>(15,293)</u>	<u>(15,797)</u>
(Decrease) increase in cash during the year	(25,147)	(115,187)
Cash - beginning of the year	<u>110,439</u>	<u>225,626</u>
Cash - end of the year	<u><u>\$ 85,292</u></u>	<u><u>\$ 110,439</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.

Notes to the Financial Statements For the year ended March 31, 2018 with comparative figures for 2017

1. Purpose of the organization

The Saskatchewan Sports Hall of Fame and Museum Inc. (the "organization") is incorporated under *The Non-profit Corporations Act, 1995*. The Saskatchewan Sports Hall of Fame and Museum Inc. is the provincial body whose mandate is to promote the contribution of sport by recognizing sport excellence and by displaying and preserving sport history.

2. Significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, the most significant of which are outlined below.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the year in which they become known.

Tangible capital assets

Tangible capital assets are stated at cost. Assets with a value less than \$5,000 are expensed in the year of acquisition; assets valued at \$5,000 or more are amortized over their estimated useful lives using the straight-line method.

Trailer	5 years
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Revenue recognition

The organization follows the deferral method of accounting for contributions and grants. Memberships, donations and sponsorships are recorded as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Interest is recorded in the period earned. Membership Assistance Program grants received by the organization are remitted to local Sports Halls of Fame during the course of the year. Operating and other grants are recognized as revenue as they are earned. Grants for specific projects are recognized concurrent with project expenses. Induction dinner revenue is recognized in the period the dinner is held.

Souvenirs and books

The organization maintains a supply of promotional books, pins, and souvenirs. The cost of these items is charged to operations in the year of purchase and revenues are recorded as received.

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.

Notes to the Financial Statements For the year ended March 31, 2018 with comparative figures for 2017

2. Significant accounting policies (continued)

Artifacts

The collection of artifacts in the Sport Hall of Fame and Museum Inc. is not reflected as an asset on the statements of financial position, however, insurance coverage is maintained to cover the replacement value of these items.

Financial instruments

Financial assets and financial liabilities are recorded on the statement of financial position when the organization becomes party to the contractual provisions of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in the subsequent years of equity instruments is at fair value. All other financial assets and financial liabilities are subsequently measured at amortized cost adjusted by transactions costs, which are amortized over the expected life of the instrument.

Fair value is an amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair values of financial assets and financial liabilities measured at fair value are recognized in excess of revenue over expenses. When there is an indication of impairment the carrying amount of financial assets measured at amortized cost may be reduced. Such impairments can be subsequently reversed if the value improves.

3. Investments

	<u>2018</u>	<u>2017</u>
Life insurance cash surrender value - Great West Life	\$ 74,699	\$ 65,470
Sport Legacy Fund	37,295	31,231
	<u>\$ 111,994</u>	<u>\$ 96,701</u>
Market Value	<u>\$ 111,994</u>	<u>\$ 96,701</u>

The investment in the Sport Legacy Fund and the related deferred revenue (Note 5) consists of donations based on various programs and contributions by Sask Sport Inc. To qualify for the additional contribution by Sask Sport Inc., the organization is required to leave the original amount and additional donations in the Legacy Fund for a minimum of five years.

4 Tangible capital assets

Tangible capital assets are comprised of a trailer and travelling exhibit with a purchase cost of \$81,526 and accumulated amortization of \$32,610 for a net book value of \$48,916 at March 31, 2018 (2017 - \$65,221).

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.

Notes to the Financial Statements For the year ended March 31, 2018 with comparative figures for 2017

5. Deferred revenue

Deferred revenue consists of the following:

	<u>2018</u>	<u>2017</u>
Life Insurance Cash Surrender Value - Great West Life	\$ 74,699	\$ 65,470
Sport Legacy Fund	37,295	31,231
	<u>\$ 111,994</u>	<u>\$ 96,701</u>

6. Restricted surplus

The Board of Directors have designated funds as a reserve against possible future decreases in revenues to be able to continue services until additional funds can be arranged.

7. Economic dependence

The organization currently receives significant revenue in grants from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. As a result, the organization is dependant upon the continuance of these grants to maintain operations at their current level.

8. Donated services

The work of the organization is dependent on the voluntary services of many members. Since these services are not normally purchased by the organization and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

9. Income tax status

The organization is exempt from income tax under section 149(1)(l) of the *Income Tax Act* as a non-profit organization.

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.

Notes to the Financial Statements For the year ended March 31, 2018 with comparative figures for 2017

10. MAP grants

During the year, the organization allocated the following Membership Assistance Program (MAP) grants:

	<u>2018</u>	<u>2017</u>
Humboldt and District Sports Hall of Fame	\$ 2,879	\$ 4,500
International Sports Heritage Association	2,218	2,183
Moose Jaw & District Sports Hall of Fame	3,295	4,700
North Battleford Sports Museum and Hall of Fame	7,100	2,000
Prince Albert Sports Hall of Fame	5,125	5,104
Regina Sports Hall of Fame	2,500	2,500
Rural Sports Hall of Fame and Museum Inc., Indian Head	3,500	4,340
Saskatchewan Baseball Hall of Fame	2,500	4,350
Saskatchewan Golf Hall of Fame	2,500	3,000
Saskatchewan Hockey Hall of Fame	6,500	5,500
Saskatoon Sports Hall of Fame	2,500	2,900
Turner Curling Museum	2,500	2,050
Yorkton Sports Hall of Fame and Museum	782	773
	<u>\$ 43,900</u>	<u>\$ 43,900</u>

11. Financial instruments and risk management

Fair value

The recorded value of cash, accounts receivable and account payable approximates fair value due to their short term nature.

Credit, currency, interest rate, liquidity and price risk

The organization is not subject to significant credit, currency, interest rate, liquidity, or price risk due to the short term nature of its financial instruments.

12. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation in the current year.

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.

SCHEDULE OF SELF HELP REVENUES

Schedule 1

For the year ended March 31, 2018 with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
50th anniversary activities (Schedule 5)	\$ 57,846	\$ 272,432
Dinner raffle	3,065	-
Donations	15,165	18,355
Education donation	500	-
Hotstove revenues	1,110	-
Interest	949	1,272
Never Give Up Grant	-	5,000
Sports Investor Club	3,520	4,440
Travelling exhibits	9,620	10,792
	<u>\$ 91,775</u>	<u>\$ 312,291</u>

SEE NOTES TO FINANCIAL STATEMENTS

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.

SCHEDULE OF ADMINISTRATION EXPENSES

Schedule 2

For the year ended March 31, 2018 with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
Amortization	\$ 16,305	\$ 16,305
Equipment	3,264	1,771
GST Paid	6,006	8,453
Insurance	11,635	9,449
Meetings	11,099	8,518
Office	17,313	13,126
Photocopying	579	665
Postage	3,816	3,777
Professional fees	8,517	8,334
Rent	109,092	97,919
Telephone	5,105	5,388
	<u>\$ 192,731</u>	<u>\$ 173,705</u>

Schedule of Fundraising Expenses

Schedule 3

For the year ended March 31, 2018 with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
Fundraising expenses	\$ 1,021	-
Sports Investor Club	710	780
Sport Legacy Program	3,810	3,810
	<u>\$ 5,541</u>	<u>\$ 4,590</u>

SEE NOTES TO FINANCIAL STATEMENTS

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.

Schedule of Programming Expenses

Schedule 4

For the year ended March 31, 2018 with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
50th anniversary programming (Schedule 5)	\$ 52,771	\$ 195,808
Archives and conservation	5,344	10,673
Awareness programming	1,091	3,259
Education	392	253
Gallery redevelopment	10,987	25
Induction dinner	48,695	-
Marketing	8,415	14,019
Memberships and subscriptions	1,358	1,640
Newsletters	757	1,486
Printing	2,916	2,207
Strategic planning	3,477	-
	<u>\$ 136,203</u>	<u>\$ 229,370</u>

SEE NOTES TO FINANCIAL STATEMENTS

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.

Schedule of 50th Anniversary Programming

Schedule 5

For the year ended March 31, 2018 with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
Revenue		
Fundraising and sponsorships	\$ 11,180	\$ 41,637
Saskatchewan Lotteries Trust Fund categorical grant	-	28,472
Canadian Museum Association	3,746	4,232
Community Initiatives Fund	-	50,000
Federal government grant - summer student	4,126	4,507
Traveling exhibit income	38,794	54,049
Diamond Girls	-	14,151
Gala	-	75,384
	<u>57,846</u>	<u>272,432</u>
Expenses		
Accommodations	4,497	11,108
Construction and maintenance	9,608	14,451
Lease	4,811	15,907
Programming	-	2,157
Travel	7,289	24,536
Salary - part time	26,566	25,217
Diamond Girls	-	13,119
Gala	-	89,313
	<u>52,771</u>	<u>195,808</u>
Excess of revenue over expenses	<u>\$ 5,075</u>	<u>\$ 76,624</u>

Schedule of Sport History Project Funding

Schedule 6

For the year ended March 31, 2018 with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
Revenue		
Sport History Project Grant	\$ 25,000	\$ 25,000
Unused grant repayment	-	(1,062)
	<u>\$ 25,000</u>	<u>\$ 23,938</u>
Expenses		
Special Olympics Saskatchewan	\$ 15,000	
University of Saskatchewan	10,000	
Phase III - Diamond Girls Production	-	20,000
Phase II - Solilo Project - Football in Focus	-	3,938
	<u>\$ 25,000</u>	<u>\$ 23,938</u>