

Saskatchewan Sports Hall of Fame and Museum Inc.

Financial Statements

For the year ended March 31, 2023

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.


Acting Executive Director

INDEPENDENT AUDITORS' REPORT



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

To the Board of Directors

Saskatchewan Sports Hall of Fame and Museum Inc.

Qualified Opinion

We have audited the financial statements of the Saskatchewan Sports Hall of Fame and Museum Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2023, 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, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The Organization has an accounting policy which requires that tangible capital asset purchases with a cost of \$50,000 or greater be capitalized onto the statement of financial position. During the current and prior year, the Organization purchased assets with a total cost of \$158,900, but did not capitalize these items. As a result, the tangible capital assets on the statement of financial position is understated by \$145,900 (2021 - \$109,800) and expenses (net of amortization) are overstated by \$36,100 (2021 - \$109,800).

Secondly, and in common with many non-profit organizations, the Organization derives revenues from donations, 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.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, 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.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' 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 identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

SASKATOON

Suite 200 - 157 2nd Ave North | Saskatoon, SK S7K 2A9
t. 306-653-6100 e. virtus.saskatoon@virtusgroup.ca

REGINA

Suite 200 - 2208 Scarth Street | Regina, SK S4P 2J6
t. 306-522-6500 e. virtus.regina@virtusgroup.ca

ESTEVAN

1210 4th Street | Estevan, SK S4A 0W9
t. 306-634-6806 e. virtus.estevan@virtusgroup.ca

INDEPENDENT AUDITORS' REPORT continued

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

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Organization 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 significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

May 19, 2023
Regina, Saskatchewan

VIRTUS GROUP LLP
Chartered Professional Accountants



SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.

Statement of Financial Position

As at March 31, 2023 with comparative figures for 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash	\$ 310,857	\$ 431,442
GST receivable	7,937	6,588
Accounts receivable	16,338	3,476
Prepaid expenses	9,812	11,145
	<u>344,944</u>	<u>452,651</u>
Life insurance cash surrender value (Note 3)	89,256	82,961
Investment In Sport Legacy Fund (Note 3)	86,130	70,689
Collections (Note 5)	1	1
	<u>\$ 520,331</u>	<u>\$ 606,302</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 9,346	\$ 20,772
Accounts payable - Sport History	24,307	27,473
Grants payable (Note 6)	17,378	41,539
Deferred revenue (Note 7)	175,386	211,825
	<u>226,417</u>	<u>301,609</u>
Net Assets		
Restricted surplus (Note 8)	160,075	160,075
Unrestricted surplus	133,839	144,618
	<u>293,914</u>	<u>304,693</u>
	<u>\$ 520,331</u>	<u>\$ 606,302</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, 2023 with comparative figures for 2022

	<u>Restricted surplus</u>	<u>Unrestricted surplus</u>	<u>Total 2023</u>	<u>Total 2022</u>
Balance, beginning of year	\$ 160,075	\$ 144,618	\$ 304,693	\$ 189,348
Excess (deficiency) of revenue over expenses for the year	-	(10,779)	(10,779)	115,345
Inter-fund transfer (Note 8)	-	-	-	-
Balance, end of year	<u>\$ 160,075</u>	<u>\$ 133,839</u>	<u>\$ 293,914</u>	<u>\$ 304,693</u>

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, 2023 with comparative figures for 2022

	<u>2023</u>	<u>2022</u>
Revenue		
Saskatchewan Lotteries Trust Fund grants (Schedule 1)	549,400	445,861
Self help (Schedule 2)	275,864	316,373
	<hr/>	<hr/>
	825,264	762,234
Expenses		
Administration (Schedule 3)	513,864	463,422
Capacity and Interaction (Schedule 4)	31,439	25,776
Programs and Services (Schedule 5)	217,840	90,903
Categorical Grants (Schedule 6)	72,900	66,788
	<hr/>	<hr/>
	836,043	646,889
Excess (deficiency) of revenue over expenses for the year	<u>\$ (10,779)</u>	<u>\$ 115,345</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, 2023 with comparative figures for 2022

	<u>2023</u>	<u>2022</u>
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses for the year	\$ (10,779)	\$ 115,345
Changes to non-cash working capital items:		
GST receivable	(1,349)	607
Accounts receivable	(12,862)	12,072
Prepaid expenses	1,333	1,104
Accounts payable and accrued liabilities	(38,753)	46,680
Deferred revenue	(36,439)	56,877
	(98,849)	232,685
Investing activities:		
Net change in investments	(21,736)	(9,567)
Increase (decrease) in cash during the year	(120,585)	223,118
Cash - beginning of the year	431,442	208,324
Cash - end of the year	\$ 310,857	\$ 431,442

See the accompanying notes to the financial statements

SEE NOTES TO FINANCIAL STATEMENTS

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.
Notes to the Financial Statements
For the year ended March 31, 2023 with comparative figures for 2022

1. Purpose of the organization

The Saskatchewan Sports Hall of Fame and Museum Inc. (the "organization") is continued under *The Non-Profit Corporations Act, 2022* in Saskatchewan. The organization 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.

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.

Tangible capital assets

Tangible capital assets are stated at cost. Assets with a value less than \$50,000 are expensed in the year of acquisition; assets valued at \$50,000 or more are amortized over their estimated useful lives using the straight-line method.

Collections

The artifact collection is the largest part of the assets of the organization and are presented in the Statement of Financial Position at a nominal value of \$1, due to practical difficulties of determining a meaningful value for these assets.

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. Contributed services and donations in-kind are recognized into both revenue and expenses as they are provided.

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.

Notes to the Financial Statements

For the year ended March 31, 2023 with comparative figures for 2022

2. Significant accounting policies (continued)

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>2023</u>	<u>2022</u>
Life insurance cash surrender value - Great West Life	\$ 89,256	\$ 82,961
Sport Legacy Fund	86,130	70,689
	<u>\$ 175,386</u>	<u>\$ 153,650</u>
Market Value	<u>\$ 175,386</u>	<u>\$ 153,650</u>

The investment in the Sport Legacy Fund and the related deferred revenue (Note 7) 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 \$81,526 for a net book value of \$nil at March 31, 2023 (2022 - \$nil).

5. Collections

The organization maintains a collection comprised of approximately 19,000 objects which are used for the following specific uses: Research only/Research/Exhibits, and Education/Extension.

The organization collects, as part of the permanent collection archival materials, artifacts that are relevant to the sport heritage of the province of Saskatchewan. Materials are collected that best serve to illustrate the history and development of sport in Saskatchewan, from the earliest times to the present. Any material collected must have historical, significance, that is, "contribute to a clearer understanding or interpretation of some former custom, activity, episode or person" related to sport or relevant to its interpretation. The organization will collect both archival and artifactual material related to the sport career for which an individual or team is inducted, as well as those materials that are not related to inductees, but illustrates and promotes an understanding of the cultural heritage and tradition of sport in Saskatchewan.

During the year, the organization added approximately 100 items to the collection at \$nil cost and did not dispose of any items. The insured value of the collection at year end is \$994,274 (2022 - \$983,939).

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.
Notes to the Financial Statements
For the year ended March 31, 2023 with comparative figures for 2022

6. Grant Returns Payable

The organization receives annual funding from Sask Lotteries Trust Fund for Sport, Culture and Recreation with the understanding that the funds are to be used for eligible purposes adhering to the policies and guidelines. In the event funds are not used in accordance with the policies and guidelines, they must be returned to Sask Lotteries Trust Fund for Sport, Culture and Recreation. At March 31, 2023 the organization has the following grant returns payable to the Sask Lotteries Trust Fund:

	<u>2023</u>	<u>2022</u>
Sask Lotteries Trust Fund - Annual Funding	\$ -	34,227
Sask Lotteries Trust Fund - MAP	1,400	7,312
Sask Lotteries Trust Fund - Sport History - Lacrosse	15,978	-
	<u>\$ 17,378</u>	<u>\$ 41,539</u>

7. Deferred revenue

Deferred revenue consists of the following:

	<u>2023</u>	<u>2022</u>
Government of Saskatchewan	\$ -	15,847
Heritage Canada	-	39,292
Induction Sales	-	3,001
Life Insurance Cash Surrender Value - Great West Life	89,256	82,961
Memberships	-	35
Sport Legacy Fund	86,130	70,689
	<u>\$ 175,386</u>	<u>\$ 211,825</u>

8. 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. During the year, the Board approved a transfer from the Unrestricted Surplus to the Restricted Surplus of \$nil (2022 - \$41,096).

9. 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.

10. Volunteer 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, these services are not recognized in these financial statements.

11. 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, 2023 with comparative figures for 2022

12. MAP grants

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

	<u>2023</u>	<u>2022</u>
Humboldt and District Sports Hall of Fame	\$ 3,070	\$ 3,446
International Sports Heritage Association	1,735	1,915
Moose Jaw & District Sports Hall of Fame	4,110	3,800
North Battleford Sports Museum and Hall of Fame	9,230	9,237
Prince Albert Sports Hall of Fame	550	2,485
Regina Sports Hall of Fame	4,470	2,725
Saskatchewan Baseball Hall of Fame	4,900	9,637
Saskatchewan Golf Hall of Fame	2,600	3,300
Ted Knight Saskatchewan Hockey Hall of Fame	7,100	2,334
Saskatoon Sports Hall of Fame	2,885	1,910
Turner Curling Museum	2,100	500
Yorkton Sports Hall of Fame and Museum	5,150	500
	<u>\$ 47,900</u>	<u>\$ 41,788</u>

13. 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.

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.

SCHEDULE OF SASK LOTTERIES TRUST FUND GRANTS

Schedule 1

For the year ended March 31, 2023 with comparative figures for 2022

	<u>2023</u>		<u>2022</u>
Annual Funding	\$ 476,500	\$	379,073
Membership Assistance Program	47,900		41,788
Sport History Project	25,000		25,000
	<u>\$ 549,400</u>	\$	<u>445,861</u>

SCHEDULE OF SELF HELP REVENUES

Schedule 2

For the year ended March 31, 2023 with comparative figures for 2022

	<u>2023</u>		<u>2022</u>
Internal			
Memberships	\$ 13,344	\$	14,490
Life insurance proceeds	-		74,249
External			
Donations	17,673		9,359
Interest	6,779		1,749
Induction	94,980		-
Non-SLTF grants			
Canadian Museums	8,208		14,068
Community Initiatives Fund	2,000		5,000
Government of Canada - CEWS	-		54,552
Government of Canada - CERS	-		37,770
Government of Canada - Summer Jobs	3,990		9,438
Government of Saskatchewan	20,844		-
Heritage Canada	85,452		57,700
Tourism Saskatchewan	15,000		22,500
Outreach exhibits and research fees	1,294		1,395
Sponsorship	6,300		7,953
Sports Investor Club	-		6,150
	<u>\$ 275,864</u>	\$	<u>316,373</u>

SEE NOTES TO FINANCIAL STATEMENTS

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.

SCHEDULE OF ADMINISTRATION EXPENSES

Schedule 3

For the year ended March 31, 2023 with comparative figures for 2022

	<u>2023</u>		<u>2022</u>
Audit fees	\$ 7,053	\$	6,890
Insurance	11,113		10,431
Office operations	159,213		164,756
Salaries and benefits	333,687		280,400
Staff travel	2,798		945
	<u>\$ 513,864</u>	\$	<u>463,422</u>

SCHEDULE OF CAPACITY AND INTERACTION EXPENSES

Schedule 4

For the year ended March 31, 2023 with comparative figures for 2022

	<u>2023</u>		<u>2022</u>
Awards and recognition	\$ 1,840	\$	3,104
Communications	85		18,158
Marketing and promotions	16,452		2,938
Meetings	2,010		-
Memberships	1,282		1,100
Planning and annual retreat	4,748		-
Professional development	5,022		476
	<u>\$ 31,439</u>	\$	<u>25,776</u>

SEE NOTES TO FINANCIAL STATEMENTS

SASKATCHEWAN SPORTS HALL OF FAME AND MUSEUM INC.
SCHEDULE OF PROGRAM AND SERVICES EXPENSES
 Schedule 5
 For the year ended March 31, 2023 with comparative figures for 2022

	<u>2023</u>	<u>2022</u>
Collection management	\$ 3,643	\$ 10,285
Mobile travel exhibit	5,285	5,522
Never Give Up	3,460	4,499
Gallery upgrades and maintenance	120,758	47,049
Induction	78,612	-
Planned giving	4,791	21,701
Education	1,291	1,847
	<u>\$ 217,840</u>	<u>\$ 90,903</u>

SCHEDULE OF CATEGORICAL GRANTS
 Schedule 6
 For the year ended March 31, 2023 with comparative figures for 2022

	<u>2023</u>	<u>2022</u>
Membership Assistance Program (Note 12)	\$ 47,900	\$ 41,788
Sport History Grant - Sask Games Council	25,000	25,000
	<u>\$ 72,900</u>	<u>\$ 66,788</u>

SCHEDULE OF SPORT HISTORY PROJECT FUNDING
 Schedule 7
 For the year ended March 31, 2023 with comparative figures for 2022

	<u>2023</u>	<u>2022</u>
Revenue		
Sport History Project Grant	\$ 25,000	\$ 25,000
	<u>\$ 25,000</u>	<u>\$ 25,000</u>
Expenses		
Saskatchewan Games Council	\$ 25,000	\$ 25,000
	<u>\$ 25,000</u>	<u>\$ 25,000</u>

SEE NOTES TO FINANCIAL STATEMENTS