

Canada's Sports Hall of Fame

Financial Statements

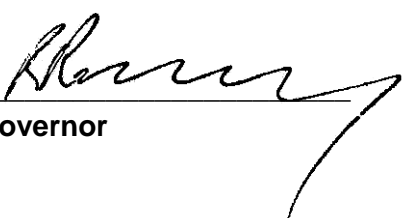
December 31, 2024

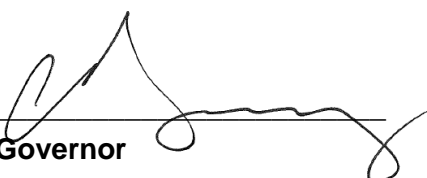
**Canada's Sports Hall of Fame
Statement of Financial Position
For the Year Ended December 31, 2024**

Assets	2024	2023
	\$	\$
Current assets		
Cash	8,777	17,071
Accounts receivable	54,638	86,092
Prepaid expenses	32,114	34,647
	<u>95,529</u>	<u>137,810</u>
Investments (note 4)	1,751,423	2,474,637
Capital assets (note 5)	10,789,856	11,667,428
	<u>12,636,808</u>	<u>14,279,875</u>
Liabilities		
Current liabilities		
Bank debt (note 6)	925,899	878,681
Accounts payable and accrued liabilities (note 12 and 13)	208,763	96,349
	<u>1,134,662</u>	<u>975,030</u>
Deferred contributions - Exhibits (note 7)	274,245	366,331
Deferred contributions - Hall of Fame (note 8)	10,657,653	11,500,759
Deferred revenue – Education Endowment interest (note 10 and 4)	85,238	32,498
	<u>12,151,798</u>	<u>12,874,618</u>
Net assets		
Unrestricted	(1,200,517)	(1,033,591)
Operating Reserve - internally restricted (note 9)	1,201,027	2,039,348
Education Endowment - externally restricted (note 10)	484,500	399,500
	<u>485,010</u>	<u>1,405,257</u>
	<u>12,636,808</u>	<u>14,279,875</u>

The accompanying notes are an integral part of these financial statements.

Subsequent events - Note 14


Governor


Governor

Canada's Sports Hall of Fame
Statement of Operations
For the Year Ended December 31, 2024

	2024	2023
	\$	\$
Revenue		
Amortization of deferred contributions - Hall of Fame (note 8)	843,106	843,106
Order of Sport Awards	546,250	450,500
Donations and sponsorships	333,916	451,796
Interest and investment income (note 4)	134,321	100,031
Exhibits	99,596	35,155
Amortization of deferred contributions - Exhibits (note 7)	63,451	59,287
Program grants	47,400	104,563
Salary grants	8,333	36,288
Rental income	8,160	-
	<u>2,084,533</u>	<u>2,080,726</u>
Expenses		
Salaries and benefits (note 11)	1,415,273	1,200,153
Amortization of capital assets	909,309	890,306
Order of Sport Awards	204,056	167,045
Administration	183,322	176,042
Utilities	90,550	103,407
Consulting fees	75,271	171,884
Bank and credit card financing charges	74,452	73,450
Information technology	61,944	54,117
Insurance	39,288	39,048
Professional fees	34,894	40,573
Marketing	29,461	39,517
Exhibits and programs	28,405	85,193
Management fees (note 4)	21,390	24,618
	<u>3,167,615</u>	<u>3,065,353</u>
Other Items		
Unrealized gain on investments (note 4)	52,600	129,638
Gain/(Adjustment) on Sale of Artefacts (note 3)	20,245	(114,756)
Sale of equipment	4,990	10,482
Gain on disposal of capital assets	-	25,000
Loan forgiveness – CEBA	-	20,000
	<u>77,835</u>	<u>70,364</u>
Deficiency of revenue over expenses	<u>(1,005,247)</u>	<u>(914,263)</u>

The accompanying notes are an integral part of these financial statements.

Canada's Sports Hall of Fame
Statement of Changes in Net Assets
For the Year Ended December 31, 2024

	Unrestricted	Operating Reserve (Note 9)	Education Endowment (Note 10)	Total 2024 \$	Total 2023 \$
Net assets - Beginning of year	(1,033,591)	2,039,348	399,500	1,405,257	2,010,020
Deficiency of revenue over Expenses	(1,005,247)	-	-	(1,005,247)	(914,263)
Endowment contributions	-	-	85,000	85,000	309,500
Interfund transfers	838,321	(838,321)	-	-	-
Net assets - End of year	(1,200,517)	1,201,027	484,500	485,010	1,405,257

The accompanying notes are an integral part of these financial statements.

Canada's Sports Hall of Fame**Statement of Cash Flows****For the Year Ended December 31, 2024**

Cash provided by (used in)	2024	2023
	\$	\$
Operating activities		
Deficiency of revenue over expenses	(1,005,247)	(914,263)
Amortization of deferred contributions	(906,557)	(902,393)
Amortization of capital assets	909,309	890,306
Gain on disposal of capital assets	-	(25,000)
Loan Forgiveness – CEBA	-	(20,000)
Unrealized gain on investments	(52,600)	(129,638)
	(1,055,095)	(1,100,988)
Changes in non-cash working capital	43,424	621,093
	(1,011,671)	(479,895)
Investing activities		
Disposal of investments	1,047,633	723,788
Purchase of investments	(144,737)	(563,054)
Purchase of capital assets	(31,737)	(97,935)
Proceeds from sale of capital assets	-	25,000
	871,159	87,799
Financing activities		
Education Endowment contributions	85,000	309,500
Bank debt drawn	47,218	52,752
Long-term debt repayment	-	(40,000)
	132,218	322,252
Decrease in Cash	(8,294)	(69,844)
Cash - Beginning of year	17,071	86,915
Cash - End of year	8,777	17,071

The accompanying notes are an integral part of these financial statements.

Canada's Sports Hall of Fame
Notes to Financial Statements
For the Year Ended December 31, 2024

1 Nature of business

Canada's Sports Hall of Fame ("CSHoF") was originally incorporated on November 25, 1971 without share capital under the Canada Corporations Act and subsequently issued a Certificate of Continuance under the Canada Not-for-Profit Corporations Act on October 11, 2013. CSHoF is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes. It is CSHoF's mission to empower the pivot role sport plays in shaping Canada's future, in recognizing role models, in the community and in the classroom.

Canada's Sports Hall of Fame, as a leading national cultural organization, aims to recognize and honour all sports, as well as the excellence of athletes and builders who have reached the pinnacle of sporting success. The institution is committed to bringing the stories, experiences, and rich history of these role models into classrooms and communities across the nation, inspiring generations through the invaluable lessons that sport offers. The Hall of Fame continues to build upon its digital repository of sports history, capturing and sharing stories, artefacts, and journeys, leaving a lasting legacy that motivates current and future generations to excel, fulfill their dreams, stay active, understand the value of sports, and make a positive impact through the lessons learned from sport.

Canada's Sports Hall of Fame has embraced change and moved forward, envisioning a future as a virtual museum. This new future is stable and robust, as evidenced by growth and engagement numbers, indicating the potential to inspire and educate Canadians beyond the limitations of a physical museum. The commitment is to ensure that the stories, lessons, and digital artefacts of the nation's rich sporting history continue to inspire future generations.

This reimagining of Canada's Sports Hall of Fame as a digital museum ensures its relevance for future years. By redirecting energy, funding, and focus towards inspiring youth through the invaluable lessons of sport, the Hall of Fame connects young people across the nation with role models, including the more than 752 athletes and sport builders inducted into the Hall of Fame, as well as the annual class of remarkable Athletes and Builders recognized with the Order of Sport Award.

2 Summary of significant accounting policies

Basis of accounting

CSHoF prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Revenue recognition

CSHoF follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions related to capital assets are deferred and recognized as revenue as the related capital assets are amortized. Other externally restricted contributions are deferred and recognized as revenue in the period when the related expenses are recognized.

CSHoF may receive government subsidies which provide immediate financial assistance as compensation for costs or expenditures to be incurred. CSHoF recognizes government subsidies as revenue when received or receivable and when there is reasonable assurance that conditions attached to the subsidies are met.

Canada's Sports Hall of Fame
Notes to Financial Statements
For the Year Ended December 31, 2024

2 Summary of significant accounting policies – continued

Revenue from education programs and offsite exhibits are recognized as the related goods or service is provided.

Revenue from the sale of tickets and sponsorships for the Order of Sport Awards and other special events are recognized in the period that the events are held.

Endowment contributions are recognized as direct increases in net assets.

Interest and investment income is recorded when earned.

Contributed goods and services

CSHoF receives donations of goods and services throughout the year that are used in operations. These items are not recognized in the financial statements.

Volunteers contribute many hours to assist CSHoF in carrying out its mandate. Volunteer services are not recognized in the financial statements.

Investments

Investments are reported at cost, if purchased, or at fair value if donated. Thereafter, investments are reported at their fair values in the Statement of Financial Position, and changes in fair value are reported as investment income in the Statement of Operations.

Short term investments are those that have a maturity date of under one year from the moment of inception. All investments with no maturity date, due to their nature, or maturity date beyond one year are considered long term.

Capital assets

Capital assets are recorded at cost less accumulated amortization and any provision for impairment. The cost for contributed capital assets is considered to be fair value at the date of contribution. The cost of capital assets made up of significant separable component parts is allocated to the component parts when practicable and when estimates can be made of the estimated useful lives of the separate components. Amortization is provided on a straight-line basis over the following periods:

Building	
Structural	40 years
Mechanical	20 years
External	20 years
Decorative	10 years
Media production	5 years
Furniture and equipment	5 years
Website	5 years
Computer equipment	3 years

Canada's Sports Hall of Fame
Notes to Financial Statements
For the Year Ended December 31, 2024

2 Summary of significant accounting policies – continued

During 2021, CSHoF developed a digital multimedia exhibit entitled the Indigenous Sport Heroes Education Experience ("ISHEE"). This was the first of its kind educational exhibit and seven-year initiative with the aim to prompt conversation about equity and inclusion, through the lens of sport. Development costs incurred for this project are being amortized over the seven-year term of the project ending June 30, 2028.

Capital assets are tested for impairment when conditions indicate that a capital asset no longer contributes to CSHoF's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-downs of capital assets are recognized as expenses in the Statement of Operations and Changes in Net Assets. Write-downs are not subsequently reversed.

Financial instruments

CSHoF initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and liabilities at amortized cost, other than investments which are measured at fair value. The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, and bank debt.

It is management's opinion that CSHoF's exposure to risk on its financial instruments is summarized as follows:

a) Credit risk

CSHoF's credit risk exposure relates to cash, investments, accounts receivable and bank debt. Cash and investment balances are denominated in local currency and held with reputable Canadian financial institutions. Accounts receivable consists of amounts owing which management considers are fully collectible. Management does not consider CSHoF to be exposed to significant credit risk.

b) Liquidity risk

Liquidity risk is the risk that CSHoF will not be able to meet all of its financial obligations as they become due. Management has initiated various strategic alternatives related to managing CSHoF's bank debt and liquidity risk including the monetization of other CSHoF capital assets. Any financial obligations that currently exist for the organization can be satisfied by investments held. These investments are held as part of the creation in the previous year of an internally restricted Operating Reserve (see Note 9) and externally restricted Education Endowment (see Note 10). The overriding purpose of these two funds is to assist in future operations on a long-term basis, however if liquidity becomes low, management is able to liquidate the portion of the investment portfolio that isn't externally restricted to meet the current requirements. Liquidity risk will be monitored by the Board of Governors through the budgeting process, review of quarterly financial statements and any other alternate strategies undertaken by the organization. As a result of these initiatives management does not consider CSHoF to be exposed to significant liquidity risk.

Canada's Sports Hall of Fame
Notes to Financial Statements
For the Year Ended December 31, 2024

2 Summary of significant accounting policies – continued

c) Bank debt

CSHoF recognizes risk associated with bank indebtedness and its ability to repay loans pending the sale or lease of some or all its long-term assets.

d) Interest rate, currency and other price risk

Cash and accounts receivable balances are denominated in local currency. Management does not consider CSHoF to be exposed to significant interest rate, currency and other price risk.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates include accounts receivable, amortization of capital assets, amortization of deferred contributions, accrued liabilities and proceeds from the sale of the tangible artefact collection. Actual results could differ from these estimates. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in the Statement of Operations in the period in which they become known.

3 Tangible Artefact Collection

During 2022 CSHoF entered into a contract to sell the tangible artefact collection owned by CSHoF to the **Canadian Museum of History (“CMH”)** at an estimated price of \$4,310,459 subject to subsequent estimation adjustments. During the prior and current years, the price was reassessed, with the final price determined at \$4,215,948. The estimation adjustments have been recorded in the Statement of Operations in the respective year.

During the current year an adjustment was made to the estimated amount which increased the value by \$20,245 (2023 – decrease by \$114,756). This item is included as Gain(Adjustment) on Sale of Artefacts in the Statement of Operations. The prior year balance of \$9,822 owing to CMH was paid during the current year and a final payment of \$10,423 was received by CSHoF in the current year from CMH. No amounts are owing to either party as of December 31, 2024.

A key condition of the sale is that CSHoF will be able to borrow an agreed upon set of artefacts annually for the creation of exhibits and education programs. **This arrangement, as well as CSHoF's continued ownership** of intangible digital assets, will enable CSHoF to maintain its Museum status that will allow CSHoF to continue to access critical government grant programs, private sector donations and maintain its charitable organization status.

During 2024 and 2023 there were no items donated to CSHoF. The funds generated from the sale of the artefact collection has been used to establish an Operating Reserve Fund (refer to note 9) that will fund future operations of CSHoF.

Canada's Sports Hall of Fame
Notes to Financial Statements
For the Year Ended December 31, 2024

4 Investments

CSHoF invests all the Operating Reserve and Education Endowment underlying funds. All investments are held in a Pooled Balanced Fund that is publicly traded. The allocation of various funds within the Pooled Balanced Fund includes the following.

	2024	2023
	Weight	Weight
Canadian Money Market Fund	3.18%	3.95%
Canadian Bond Fund	33.95%	34.46%
Canadian Equity Fund	15.99%	15.30%
New Canada Fund	3.54%	3.73%
US Equity Fund	15.82%	16.93%
US Mid Cap Equity Fund	3.01%	-
International Equity Fund	17.05%	16.99%
Emerging Markets Equity Fund	1.22%	1.40%
Global Small Cap Fund	6.24%	7.24%
	100.00%	100.00%

At December 31, 2024 the value of the Operating Reserve and Education Endowment was as follows:

	Market Value	Cost	Investment Income		Management Fees	Investment return - 2024
			Realized	Unrealized		
Operating Reserve	1,188,053	1,057,412	134,079	52,600	(16,386)	11.94%
Education Endowment	563,370	513,036	16,910	35,830	(5,004)	11.94%
	1,751,423	1,570,448	150,989	88,430	(21,390)	

At December 31, 2023 the value of the Operating Reserve and Education Endowment was as follows:

	Market Value	Cost	Investment Income		Management Fees	Investment return - 2023
			Realized	Unrealized		
Operating Reserve	2,044,416	1,966,376	99,243	129,638	(22,023)	9.68%
Education Endowment	430,221	415,717	15,850	15,699	(2,595)	11.87%
	2,474,637	2,382,093	115,093	145,337	(24,618)	

Redemption of the funds within the Operating Reserve can be made at any time by CSHoF without limitation. These funds will be used to fund operations on a long-term basis. A net amount of \$1,025,000 was redeemed from the Operating Reserve in the current year. No funds in the Education Endowment, other than earned investment income, can be redeemed unless authorized by the respective donor. There were no redemptions from the Education Endowment in the current year.

Canada's Sports Hall of Fame
Notes to Financial Statements
For the Year Ended December 31, 2024

5 Capital assets

			2024	2023
	Cost	Accumulated amortization	Net	Net
	\$	\$	\$	\$
Building				
Structural	10,373,454	3,485,793	6,887,661	7,146,997
Mechanical	7,829,844	5,304,726	2,525,118	2,919,054
External	3,668,511	2,476,245	1,192,266	1,375,692
Decorative	1,986,974	1,986,974	-	-
Media production	8,353,579	8,353,579	-	-
	<u>32,212,362</u>	<u>21,607,317</u>	<u>10,605,045</u>	<u>11,441,743</u>
Furniture and equipment	561,692	548,572	13,120	-
Website	207,949	157,793	50,156	70,256
Computer equipment	109,126	76,799	32,327	51,776
ISHEE Multimedia Exhibit	171,868	82,660	89,208	103,653
	<u>33,262,997</u>	<u>22,473,141</u>	<u>10,789,856</u>	<u>11,667,428</u>

Under the terms of the agreement with the Calgary Olympic Development Association ("CODA"), title to the land upon which the building is constructed is vested with CODA. Given the terms of the lease CSHoF has the beneficial ownership of the building, therefore the financial statements account for these costs as capital assets of CSHoF.

Capital assets totaling \$11,101,124 (2023 - \$10,999,574) have been recorded and are fully amortized. These items are considered to be still in use by CSHoF.

During the year capital assets items totaling \$55,228 (2023 – \$64,937) were written off that had a net book value of nil (2023 - nil).

6 Bank debt

CSHoF has a credit facility agreement with a commercial financial institution for a demand operating line of credit for \$1.0 million (2023 - \$1.0 million). Interest is calculated at the prime rate plus 1.5% per annum.

During 2024 and 2023 CSHoF drew amounts against the operating line of credit to fund operations. As at December 31, 2024 the balance of the Line of Credit is \$925,899 (2023 - \$878,681). CSHoF is in compliance with the financial covenant contained in this agreement at December 31, 2024.

Canada's Sports Hall of Fame
Notes to Financial Statements
For the Year Ended December 31, 2024

7 Deferred contributions – Exhibits

Deferred contributions for operations represent externally restricted funding which relate to expenditures for exhibits and programs that have not yet occurred. Deferred contributions for capital represent externally restricted contributions for various capital assets.

	2024 \$	2023 \$
Balance – Beginning of year	366,331	423,283
Additions:		
Program grants	67,750	90,780
Salary grants	-	5,750
Amounts recorded in revenue:		
Program grants	(45,000)	(65,000)
Amortization of deferred contributions – Exhibits	(63,451)	(59,287)
Salary grants	-	(14,620)
Exhibits	(51,385)	(14,575)
Balance – End of Year	<u>274,245</u>	<u>366,331</u>

8 Deferred contributions – Hall of Fame

Deferred contributions related to original cost of the construction and furniture acquisitions for the Hall of Fame represent restricted capital contributions with which the Hall of Fame was originally constructed, as well as further contributions restricted for capital additions to the Hall of Fame.

	2024 \$	2023 \$
Balance – Beginning of year	11,500,759	12,343,865
Amounts amortized to revenue in amortization of deferred contributions – Hall of Fame	<u>(843,106)</u>	<u>(843,106)</u>
Balance – End of year	<u>10,657,653</u>	<u>11,500,759</u>

9 Operating Reserve

During 2023 CSHoF established an Operating Reserve Fund. This Fund was created with proceeds received from the CMH artefact sale and is managed by a professional investment manager. The balance of the Fund, including investment income generated, will be used to assist in operational funding and capital asset acquisition over the long-term horizon of CSHoF's future operations. Annual withdrawal from the Fund will be no more than 6% of the total portfolio value. Should a larger expenditure than 6% of the total portfolio balance of the Fund in any given year be required, the CSHoF Board of Governors will be required to approve the use of funds prior to withdrawal. There was \$1,025,000 (2023 – \$700,000) in withdrawals from the Operating Reserve Fund that were made in the current year. There was nil (2023 - \$150,000) that was transferred to the Operating Reserve Fund during the current year from revenue received from the sale of tangible artefacts (refer to note 3). The Operating Reserve generated a total of \$170,293 (2023 - \$206,858) in excess revenue over expenses during the year.

Canada's Sports Hall of Fame
Notes to Financial Statements
For the Year Ended December 31, 2024

10 Education Endowment

CSHoF commenced an Education Endowment Campaign during 2023. The purpose of the Education Endowment will be to support, on a long-term basis, the educational initiatives undertaken to support CSHoF's mission. These initiatives include accessibility & technology, community impact & reach and program expansion & focus. All contributions received in the Education Endowment are managed by a professional investment manager. Annual withdrawals from the Education Endowment will be limited to 6% of total contributions received to date. This annual withdrawal will be funded through investment income generated within the Education Endowment. Investment income earned within the Education Endowment Fund will be deferred and recognized as revenue when transferred to operations for specific purposes as outlined in the agreement with each donor. If an amount greater than 6% of the portfolio value is required, the Board of Governors will be required to approve the use of these funds prior to withdrawal. At no time will withdrawals be made which will put the balance in the Education Endowment less than the value of total contributions received.

Contributions of \$85,000 (2023 - \$309,500) were received as of December 31, 2024 and are included as a direct increase to net assets. There were no endowment withdrawals in the current year (2023 - \$Nil).

11 Fundraising expenses

As required under Section 7 (2) of the Alberta Charitable Fundraising Regulation, the following amounts are disclosed:

	2024	2023
	\$	\$
Amounts paid as remuneration to employees whose principal duties involve fundraising	151,525	126,870
Direct expenses incurred for the purposes of soliciting contributions	53,812	94,556

12 Government remittances

Payroll source deductions amounting to \$11,749 owed to the federal government at December 31, 2024 (2023 - \$23,591) were withheld by the third-party payroll service used by CSHoF and remitted on January 10, 2025.

13 Termination Benefits

Accounts payable and accrued liabilities include \$81,855 (2023 - \$nil) accrued severance payment for a terminated employee, in accordance with the termination agreement

14 Subsequent events

CSHoF was officially included in the 2024 Federal Economic Statement (released in December 2024), securing \$5 million in funding over the next five years.