

Financial Statements and Supplementary Information
(In Canadian dollars)

HOCKEY HALL OF FAME AND MUSEUM

And Independent Auditor's Report thereon

Year ended June 30, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Hockey Hall of Fame and Museum

Opinion

We have audited the financial statements of Hockey Hall of Fame and Museum (the Entity), which comprise:

- the statement of financial position as at June 30, 2023
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at June 30, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 auditor's report.

We are independent of the Entity in accordance with the 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 Matter - Supplementary Information

The supplementary information included in Schedule 1 - Paid Attendance and Admission Revenue, Schedule 2 - Spirit of Hockey Retail Operations, Schedule 3 - Facility Sales, and Schedule 4 - Staff Salaries, does not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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.



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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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

November 13, 2023

HOCKEY HALL OF FAME AND MUSEUM

Statement of Financial Position
(In thousands of Canadian dollars)

June 30, 2023, with comparative information for 2022

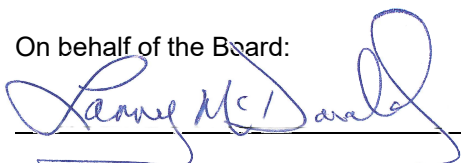
	2023	2022
Assets		
Current assets:		
Cash	\$ 2,888	\$ 3,997
Short-term investments (note 2(a))	4,000	2,000
Accounts receivable	551	386
Sponsorships and contributions receivable (note 3)	2,590	1,121
Inventory	902	973
Prepaid expenses	78	118
	<u>11,009</u>	<u>8,595</u>
Long-term investments (note 2(b))	4,567	2,849
Sponsorships and contributions receivable (note 3)	8,430	2,360
Capital assets (note 4)	6,178	3,021
	<u>\$ 30,184</u>	<u>\$ 16,825</u>

Liabilities, Deferred Sponsorships and Contributions and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,441	\$ 1,227
Unearned revenue	461	487
	<u>2,902</u>	<u>1,714</u>
Deferred sponsorships and contributions (note 6):		
Capital assets	3,911	1,926
Expenses of future periods	3,425	1,350
Core operations	7,245	1,864
	<u>14,581</u>	<u>5,140</u>
Net assets:		
Invested in capital assets (note 7(a))	2,267	2,295
Internally restricted (note 8)	5,867	4,857
Endowment (note 9)	4,567	2,849
Unrestricted	–	(30)
	<u>12,701</u>	<u>9,971</u>
Commitments (note 10)		
Contingencies (note 14)		
	<u>\$ 30,184</u>	<u>\$ 16,825</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

HOCKEY HALL OF FAME AND MUSEUM

Statement of Operations

(In thousands of Canadian dollars)

Year ended June 30, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Sponsorships and contributions (note 6)	\$ 1,290	\$ 1,479
Admission	3,978	1,638
Spirit of Hockey retail	3,752	1,632
Facility sales	3,612	1,066
Licensing	2,913	2,195
Induction celebration	563	518
Miscellaneous	1,048	849
	<u>17,156</u>	<u>9,377</u>
Expenses:		
Cost of revenue and direct costs:		
Spirit of Hockey retail	2,922	1,411
Facility sales	2,822	748
Licensing	1,213	642
Induction celebration	463	418
Miscellaneous	503	544
	<u>7,923</u>	<u>3,763</u>
Other costs:		
Staff:		
Salaries, net of direct cost allocations and subsidies (note 16(a))	3,145	1,734
Fringe benefits	605	671
Travel and other	49	42
Amortization of capital assets	833	1,073
Marketing and promotion	603	62
Building occupancy and services (note 16(b))	1,012	593
Resource centre and exhibits	103	44
IT and general office	197	189
Legal, audit and insurance	205	206
Committee and meetings	119	97
Contributed services and subsidized costs (note 6)	850	845
	<u>7,721</u>	<u>5,556</u>
	<u>15,644</u>	<u>9,319</u>
Excess of revenue over expenses	<u>\$ 1,512</u>	<u>\$ 58</u>

See accompanying notes to financial statements.

HOCKEY HALL OF FAME AND MUSEUM

Statement of Changes in Net Assets
(In thousands of Canadian dollars)

Year ended June 30, 2023, with comparative information for 2022

	Operating		Invested in capital assets	Endowment	2023	2022
	Internally restricted (note 8)	Unrestricted			Total	Total
Net assets, beginning of year	\$ 4,857	\$ (30)	\$ 2,295	\$ 2,849	\$ 9,971	\$ 9,126
Excess of revenue over expenses (expenses over revenue)	–	1,905	(393)	–	1,512	58
Net change in investment in capital assets (note 7(b))	–	(365)	365	–	–	–
Internally imposed restrictions (note 8)	1,010	(1,010)	–	–	–	–
Net change in endowment (note 9):						
Transfer to/from	–	(500)	–	500	–	–
Direct contributions	–	–	–	950	950	800
Investment returns earned from Endowment Fund	–	–	–	268	268	(13)
Net assets, end of year	\$ 5,867	\$ –	\$ 2,267	\$ 4,567	\$ 12,701	\$ 9,971

See accompanying notes to financial statements.

HOCKEY HALL OF FAME AND MUSEUM

Statement of Cash Flows

(In thousands of Canadian dollars)

Year ended June 30, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 1,512	\$ 58
Direct contributions to endowment	950	800
Investment returns earned from endowment	268	(13)
Items not involving cash:		
Amortization of capital assets	833	1,073
Amortization of deferred sponsorships and contributions related to capital assets	(440)	(634)
Amortization of deferred sponsorships and contributions related to expenses of future periods	(925)	(995)
Amortization of deferred sponsorships and contributions related to core operations	(1,324)	(1,127)
Net change in new deferred sponsorships	12,130	2,983
Change in non-cash operating working capital	1,134	945
	<u>14,138</u>	<u>3,090</u>
Financing activities:		
Increase in sponsorships and contributions receivable	(7,539)	(180)
Investing activities:		
Increase in investments	(3,718)	(2,788)
Purchase of capital assets	(3,990)	(95)
	<u>(7,708)</u>	<u>(2,883)</u>
Increase (decrease) in cash position	(1,109)	27
Cash position, beginning of year	3,997	3,970
Cash position, end of year	<u>\$ 2,888</u>	<u>\$ 3,997</u>

See accompanying notes to financial statements.

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2023

Hockey Hall of Fame and Museum (the "Hall of Fame") was incorporated under the provisions of Part II of the Canada Corporations Act in March of 1983 and has filed articles of continuance under the Canada Not-For-Profit Corporations Act in March of 2013. The Hall of Fame is a registered charity under the Income Tax Act (Canada) (the "Act") and, accordingly, is exempt from income taxes provided certain requirements of the Act are met. Its purpose is to honour and memorialize individuals who have brought special distinction to the game of hockey and those who have made outstanding contributions to the development and advancement of hockey anywhere in the world, and to collect, research, preserve, exhibit and promote objects, images and other historical materials connected with the game at all levels.

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies are summarized as follows:

(a) Revenue recognition:

The Hall of Fame follows the deferral method of accounting for contributions, which include sponsorships.

(i) Restricted sponsorships and contributions:

The Hall of Fame has granted certain sponsorships and promotional licensing rights and privileges to corporate sponsors in respect of the use of trademarks and other properties in connection with the development of the Hall of Fame. Sponsorships and contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis over the life of the asset.

(ii) Unrestricted sponsorships and contributions:

Sponsorships and contributions which are not restricted are recorded as revenue when received or receivable if the amount to be recorded can be reasonably estimated and collection is reasonably assured. Where a portion of sponsorships and contributions relates to future periods, it is deferred and recognized in those subsequent periods.

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2023

1. Significant accounting policies (continued):

(iii) Non-cash sponsorships and contributions:

The fair value of non-cash sponsorships and contributions is recorded as sponsorship revenue and as contributed services expense as the related services are rendered or products are provided.

(iv) Other:

Admissions, retail sales and facility sales are recognized as revenue in the year the related attendance occurs, goods are sold or when the facility event occurs, respectively.

(b) Revenue recognition and net assets:

The Hall of Fame follows the deferral method of accounting for contributions. Restricted contributions other than direct endowment contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue based on the amortization rate for the related capital assets.

Direct endowment contributions are presented as direct increases in net assets.

Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reliably estimated and collection is reasonably assured.

The net assets of the Hall of Fame are presented and accounted for as follows:

(i) Unrestricted:

Unrestricted net assets represent unrestricted contributions net of expenses.

(ii) Internally restricted net assets:

The internally restricted net assets are comprised of funds restricted for specific purposes as designated by the Hall of Fame's Board of Directors.

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2023

1. Significant accounting policies (continued):

(iii) Invested in capital assets:

Invested in capital assets represents the net book value of capital assets, less any debt, unamortized deferred contributions or other obligations relating to the assets.

(iv) Endowment:

Pursuant to By-law No. 27, effective March 6, 2018, the Hall of Fame established the Hockey Hall of Fame Development and Preservation Fund (the "Endowment Fund") and its policy governing related investment and use. On October 29, 2020 By-law No. 28 came into effect which repealed By-law No. 27 and was replaced under Part III Endowment Fund of By-law No. 28.

Investment returns from the Endowment Fund can be used for specified "permitted purposes", such as the acquisition or replacement of exhibits, artifacts, memorabilia and archival materials, the development or revitalization of new or existing premises for Hall of Fame, the development of special outreach initiatives and the development and/or production of audio-visual, multi-media content or theatrical presentations for use in connection with the Hall of Fame. Investment returns may also be used to cover operating deficits, only when approved by a special resolution of the Board of Directors.

Externally restricted endowments are restricted by donors to be maintained in perpetuity, subject to certain provisions as set out in By-law No. 28.

Internally restricted endowments are comprised of amounts that the Board of Directors, by resolution or policy, have internally restricted by transfer to the Endowment Fund.

Net fair value adjustments relate to endowment investments and are, by Board of Directors policy, internally restricted.

(c) Capital assets:

Purchased capital assets are recorded at cost. Constructed capital assets are recorded at cost and include direct construction and development costs, overhead directly attributable to the construction and interest costs incurred during construction. Contributed capital assets are recorded at fair value at the date of contribution.

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2023

1. Significant accounting policies (continued):

Exhibits are amortized on a straight-line basis over their useful lives which is the duration that the exhibit is on display. Leaseholds and furnishings are amortized on a straight-line basis over the term of the lease. Spirit of Hockey store leaseholds and fixtures are amortized on a straight-line basis over the term of the lease and IT and office equipment is amortized on a straight-line basis over five years.

(d) Hockey artifacts, archival material and memorabilia:

The collection of hockey artifacts, archival material and memorabilia, which has been donated to the Hall of Fame over the years since its inception, is not recorded in the accounts since the value of the items is not readily determinable.

(e) Inventory:

Inventory consists of goods and merchandise sold through the Spirit of Hockey retail store and is valued at the lower of cost and net realizable value.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. All financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Hall of Fame has not elected to carry any such financial instruments at fair value.

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

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2023

1. Significant accounting policies (continued):

(g) Capital management:

The Hall of Fame manages its capital by maintaining optimum levels on an ongoing basis. The objective is to ensure an adequate supply for operations while maintaining the flexibility to maximize investment returns and/or to reduce the cost of any potential external financing.

The levels of liquid resources are considered in the annual budget process. Cash flows are monitored on a daily basis, and actual operating results are compared to budget on a quarterly basis.

(h) Use of estimates:

The preparation of financial statements 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 date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Investments:

(a) Short-term:

	2023	2022
Bank of Nova Scotia Annual Interest:		
GIC, maturing 05/31/23, 2.97%	\$ –	\$ 2,000
GIC, maturing 10/31/23, 5.00%	2,000	–
GIC, maturing, 05/31/24, 5.00%	2,000	–
	<u>\$ 4,000</u>	<u>\$ 2,000</u>

(b) Long-term:

	2023	2022
ScotiaMcLeod Balanced Growth portfolio invested in accordance with Investment Policy Statement of the Endowment Fund	\$ 4,567	\$ 2,849
Supplemental information:		
Endowment Fund returns reinvested	\$ 317	\$ 49

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2023

3. Sponsorships and contributions receivable:

Net contracted sponsorships and contributions receivable are as follows and include \$3,025 (2022 - \$1,375) in connection with contributed services commitments:

2024	\$ 2,590
2025	2,470
2026	2,470
2027	1,720
2028	395
Thereafter	1,375
	\$ 11,020

4. Capital assets:

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Exhibits, leaseholds and furnishings financed by:				
Sponsorships and contributions	\$ 41,913	\$ 38,285	\$ 3,628	\$ 726
Core operations	11,137	8,870	2,267	2,265
Spirit of Hockey store leaseholds and fixtures financed by:				
Sponsorships and contributions	1,865	1,865	–	–
Core operations	773	773	–	–
IT and office equipment financed by:				
Sponsorships and contributions	2,270	1,987	283	–
Core operations	1,370	1,370	–	30
	\$ 59,328	\$ 53,150	\$ 6,178	\$ 3,021
Capital assets financed by:				
Sponsorships and contributions	\$ 46,048	\$ 42,137	\$ 3,911	\$ 726
Core operations	13,280	11,013	2,267	2,295
	\$ 59,328	\$ 53,150	\$ 6,178	\$ 3,021

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2023

5. Credit facilities:

The Hall of Fame has credit facilities consisting of a revolving operating loan bearing interest at the bank's prime rate plus 0.50% and a credit card.

Security for the facilities include a general security agreement covering all personal property of the Hall of Fame, excluding all exhibit and other Hall of Fame materials collected for the purpose of archiving, exhibiting and preserving the history of hockey.

The revolving operating loan is available as needed and is repayable on demand. Borrowings on the revolving operating loan are limited to a maximum of \$1,550. The revolving operating loan has not drawn as at June 30, 2023 (2022 - nil).

6. Deferred sponsorships and contributions:

Deferred sponsorships and contributions represent the unamortized amount of sponsorship contributions received for the purchase of capital assets, to fund expenses of future periods, for repayment of debt and to fund core operations. The amortization of deferred sponsorships and contributions is recorded as revenue in the statement of operations.

(a) Related to capital assets:

	2023	2022
Balance, beginning of year	\$ 1,926	\$ 2,860
New sponsorship commitments, net	2,425	–
Additional unspent contributions committed, net	–	(300)
Amounts amortized to revenue	(440)	(634)
Balance, end of year	\$ 3,911	\$ 1,926

(b) Related to expenses of future periods:

	2023	2022
Balance, beginning of year	\$ 1,350	\$ 835
New sponsorship commitments and contributions, net	3,000	1,510
Amounts taken into revenue:		
Contributed services and subsidized expenses	(850)	(845)
Amounts taken into core operations	(75)	(150)
Balance, end of year	\$ 3,425	\$ 1,350

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2023

6. Deferred sponsorships and contributions (continued):

(c) Related to core operations:

	2023	2022
Balance, beginning of year	\$ 1,864	\$ 1,218
New sponsorship commitments and contributions, net	6,705	1,773
Amounts taken into core operations	(1,324)	(1,127)
Balance, end of year	\$ 7,245	\$ 1,864

7. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

	2023	2022
Capital assets	\$ 6,178	\$ 3,021
Amounts funded by deferred contributions, net of unspent	(3,911)	(726)
	\$ 2,267	\$ 2,295

(b) Change in net assets invested in capital assets is calculated as follows:

	2023	2022
Excess of expenses over revenue:		
Amortization of deferred sponsorships and contributions related to capital assets	\$ 440	\$ 634
Amortization of capital assets	(833)	(1,073)
	\$ (393)	\$ (439)
Net change in investment in capital assets:		
Purchase of capital assets	\$ 3,990	\$ 95
Purchase of capital assets	(3,625)	–
	\$ 365	\$ 95

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2023

8. Restrictions in net assets:

Pursuant to a resolution of the Board of Directors on June 10, 2010, it was resolved that for fiscal years ending after June 10, 2010, revenue and expenses will be included in the total net assets to be internally restricted, with the exception of revenue from sponsorships and contributions used to fund: (a) capital assets, (b) contributed services, or (c) interest. In addition, amortization of capital assets, contributed services and interest are also excluded from the determination of assets to be internally restricted other than any such expenses that are not funded by sponsorship and contributions or net assets previously restricted. The amount restricted will be set aside in order to fund the cost of enhancements to or replacements of exhibits or used for the general improvement of the facility and is not available for any other purpose without approval of the Board of Directors.

Internally restricted and externally restricted amounts for the Endowment Fund are classified separately in accordance with the policy set out in the Hall of Fame's by-laws.

The following sets out the changes in internally restricted amounts:

	2023	2022
Excess of revenue over expenses	\$ 1,512	\$ 58
Sponsorships and contributions	(1,290)	(1,479)
Amortization of certain capital assets	803	1,033
Contributed services and subsidized expenses	850	845
Surplus from core operations	1,875	457
Amounts transferred to Endowment Fund	(500)	–
Purchase of capital assets funded by internally restricted amounts	(365)	(95)
	1,010	362
Internally restricted amounts, beginning of year	4,857	4,495
Internally restricted amounts, end of year	\$ 5,867	\$ 4,857

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2023

9. Endowment:

(a) The Endowment is calculated as follows:

	2023	2022
Direct contributions to the Endowment Fund	\$ 950	\$ 800
Increase (decrease) in Endowment Fund returns reinvested	268	(13)
Amounts transferred to Endowment Fund from internally restricted net assets	500	–
	1,718	787
Endowment, beginning of year	2,849	2,062
Endowment, end of year	\$ 4,567	\$ 2,849

(b) Endowment Fund comprises:

	2023	2022
Long-term investments (note 2)	\$ 4,567	\$ 2,849

	2023	2022
Fund Capital (as defined in By-law No. 28):		
Internally restricted (externally unrestricted) cumulative contributions	\$ 4,250	\$ 2,800
Endowment Fund returns reinvested	317	49
	\$ 4,567	\$ 2,849

(c) Permitted disbursements or transfers from Endowed Fund:

Cumulative investment returns since inception (2018 - 2023)	\$ 817
Amount transferred to fund operating deficit (2021)	(205)
Amount transferred to fund operating deficit (2020)	(295)
	\$ 317
Supplemental information:	
Annual rate of investment returns (2023)	7.6%
Cumulative annualized rate of investment returns since inception (2018 - 2023)	6.9%

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2023

9. Endowment (continued):

(d) Externally restricted designated endowment commitments:

The Lawrence and Judith Tanenbaum Family Foundation - Pursuant to Endowment Contribution Agreement dated March 6, 2018, Phase 1 Lifetime Annual Contribution of \$45 recognized as licensing revenue (2022 - \$45) and Phase 2 Endowment Bequest Gift of \$1,000 (not reflected as Fund Capital in the Endowment Fund until received).

(e) Endowment pledge commitments:

	Pledge Commitments	Allocations to fund		Endowment fund
		Capital projects	Operating programs	
2023	\$ 6,150	\$ (1,800)	\$ (100)	\$ 4,250
2024	2,830	–	(100)	2,730
2025	2,465	–	(100)	2,365
2026	2,445	–	(100)	2,345
2027	2,250	–	(100)	2,150
2028-2033	660	–	–	660
	\$ 16,800	\$ (1,800)	\$ (500)	\$ 14,500

10. Commitments:

The Hall of Fame has entered into operating leases for the premises of the Spirit of Hockey store, resource centre and warehouse that call for annual minimum future rental payments, exclusive of operating costs, as follows:

2024	\$ 721
2025	738
2026	765
2027	809
2028	808
Thereafter	3,392
	\$ 7,233

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2023

11. Related entities:

The NHL is considered a related party through the fact that it has the right to nominate and elect seven (7) of the Hall of Fame's eighteen (18) directors, certain eligible employees of the Hall of Fame are members of the NHL's pension plan and also by the existence of a Cooperation Agreement effective July 1, 2016 pursuant to which transactions with the NHL are recorded at cost and include the following:

Licensing income of \$100 (2022 - \$28) with respect to the sale of NHL merchandise in the Spirit of Hockey retail store.

Contributed services of in-kind marketing and promotional support via NHL media properties of \$500 (2022 - \$500).

Purchase of Hall of Fame Induction Celebration "gala tickets" of \$228 (2022 - \$220).

12. Fair values of financial assets and liabilities:

The carrying values of cash, accounts receivable, current sponsorships and contributions receivable and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments. The fair value of long-term sponsorships and contributions receivable is not readily determinable.

13. Pension contributions:

Certain eligible employees of the Hall of Fame participate to the NHL pension plan, which is a multi-employer defined benefit plan, with a defined contribution component for employees hired on or after July 1, 2017. The participating employees are not required to contribute to the pension plan. The Hall of Fame expenses its pension contributions as incurred, as permitted by the Chartered Professional Accountants of Canada Handbook Section 3462, Employee Future Benefits, under multi-employer benefit plans. Total pension contributions for the year ended June 30, 2023 amount to \$357 (2022 - \$396), which includes nil (2022 - \$12) of special solvency payments.

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2023

14. Contingencies:

The Spirit of Hockey lease covering the period from November 1, 2010 to June 30, 2022 has a percentage rent clause in the agreement whereby additional rent will be charged if 6% of gross revenue (net of sales tax) for each lease year exceeds the minimum rent payable under the terms of the lease. In 2023, the Hall of Fame incurred no additional rent (2022 - nil).

15. Travel Industry Council of Ontario ("TICO"):

TICO requires that the Hall of Fame disclose its activity relative to the sale of travel packages.

Included in licensing revenue is Gross Ontario Sales of \$166 (2022 - \$82) related to the Hall of Fame's travel packages which offers visitors to the Hall of Fame transportation and accommodations. Customer deposits held in trust of \$52 (2022 - \$29) is included in the Hall of Fame's cash balance:

	2023	2022
	(In actual dollars)	
Customer deposits	\$ (27,090)	\$ (25,102)
Covered by bank balance in trust	52,098	29,130
Surplus	\$ 25,008	\$ 4,028

16. Government assistance:

(a) Canada Emergency Wage Subsidy ("CEWS"):

Included in salaries is government assistance under the CEWS program launched by the Canadian government in response to the COVID-19 pandemic. The Company received nil (2022 - \$904) under the CEWS program during the year.

(b) Canada Emergency Rent Subsidy ("CERS"):

Included in the building occupancy and services is government assistance granted under the CERS program launched by the Canadian government in response to the COVID-19 pandemic. The Company received nil (2022 - \$215) under the CERS program during the year.

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2023

17. Financial risks:

(a) Market risk:

The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions. The value of equity securities will vary with developments within the specific companies or governments which issue the securities. The Museum manages this risk through controls to monitor and limit concentration levels. There has been no change in the risk since fiscal 2022.

(b) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect the value of equity securities. The Museum manages this risk through controls to monitor and limit concentration levels. There has been no change in the risk since fiscal 2022.

(c) Liquidity risk:

Liquidity risk is the risk that the Museum will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Museum manages its liquidity risk by monitoring its operating requirements. The Museum prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change in the risk since fiscal 2022.

HOCKEY HALL OF FAME AND MUSEUM

Schedule 1 - Paid Attendance and Admission Revenue

(In thousands of Canadian dollars, except average admission revenue and admission prices)

Year ended June 30, 2023, with comparative information for 2022

(Unaudited)

	2023		2022	
	Paid attendance	Admission revenue	Paid attendance	Admission revenue
July	28,472	\$ 568	713	\$ 14
August	27,701	561	9,698	201
September	12,647	267	4,924	109
October	10,736	227	5,279	111
November	9,517	196	5,308	111
December	9,697	194	4,084	87
January	11,716	232	455	8
February	9,701	199	2,266	42
March	19,432	349	10,101	187
April	17,583	347	9,939	204
May	19,181	359	10,566	210
June	26,049	479	18,659	354
Total attendance/admission revenue	202,432	\$ 3,978	81,992	\$ 1,638

	2023	2022
Average admission revenue per capita	\$ 18.69	\$ 19.07
Admission prices:		
General admission	\$ 25.00	\$ 25.00
Children, three years and under	Free	Free
Seniors	20.00	20.00
Youth (4 - 13 years)	15.00	15.00

Paid attendance excludes attendance from sponsorship licensing agreements and hospitality events.

HOCKEY HALL OF FAME AND MUSEUM

Schedule 2 - Spirit of Hockey Retail Operations
(In thousands of Canadian dollars)

Year ended June 30, 2023, with comparative information for 2022
(Unaudited)

	2023	2022
Sales	\$ 3,752	\$ 1,632
Cost of sales	2,030	933
	1,722	699
Other sales-related costs:		
Bank and credit card charges	88	39
Occupancy - percentage rent	-	160
E-Commerce shipping and handling	4	2
	92	201
	1,630	498
Other expenses:		
Staff:		
Salaries (Schedule 4)	386	224
Fringe benefits	30	-
Occupancy:		
Basic rent	242	12
Lease operating costs	56	16
Property taxes	47	-
Packaging and sales supplies	25	14
Display fixtures and props	1	-
General office	1	-
Maintenance and repairs	12	11
	800	277
Net contribution from Spirit of Hockey retail operations	\$ 830	\$ 221

HOCKEY HALL OF FAME AND MUSEUM

Schedule 3 - Facility Sales

(In thousands of Canadian dollars)

Year ended June 30, 2023, with comparative information for 2022

(Unaudited)

	2023	2022
Revenue:		
Facility sales:		
Full facility rentals	\$ 208	\$ 96
Theatre rentals	156	36
Great Hall rentals	48	14
Boardroom rentals	11	7
Commercial access fees	2	6
Food and beverage	2,149	577
Staging and rentals	702	213
Staffing and security	167	65
Merchandise	14	6
Other	155	46
	<u>3,612</u>	<u>1,066</u>
Expenses:		
Staff:		
Salaries (Schedule 4)	269	49
Fringe benefits	24	–
Food and beverage	1,787	478
Staging and rentals	609	183
Merchandise	7	2
Direct marketing	11	–
Other	115	36
	<u>2,822</u>	<u>748</u>
Net contribution from facility sales operations	<u>\$ 790</u>	<u>\$ 318</u>

HOCKEY HALL OF FAME AND MUSEUM

Schedule 4 - Staff Salaries

(In thousands of Canadian dollars)

Year ended June 30, 2023, with comparative information for 2022

(Unaudited)

	2023	2022
Staff salaries, including bonuses and commissions:		
Gross salaried payroll	\$ 2,331	\$ 1,934
Contracted services	395	373
Hourly payroll:		
Guest services	346	206
Retail services	236	129
Facility sales services	149	49
Building services	111	108
AV and IT support services	43	77
Resource centre and archival services	116	78
Administrative and temporary services	205	47
Gross salaries and wages	3,932	3,001
Less direct cost allocations and subsidies:		
Spirit of Hockey retail	386	224
Facility sales	269	49
Licensing and other:		
IIHF Images contribution	75	75
Scotiabank diversity program	37	-
Hockey Canada sublease contribution	20	15
Canada Emergency Wage Subsidy	-	904
	787	1,267
Staff salaries, net of direct cost allocations and subsidies	\$ 3,145	\$ 1,734
Staff Bonus Pool (included in gross salaried payroll)	\$ 390	\$ 250