

Financial Statements and Supplementary Information
(In Canadian dollars)

HOCKEY HALL OF FAME AND MUSEUM

And Independent Auditors' Report thereon

Year ended June 30, 2021

HOCKEY HALL OF FAME AND MUSEUM

(the "Corporation")

IT WAS RESOLVED that the audited financial statements of the Corporation for the fiscal year ended June 30, 2021 be approved.

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true copy of a resolution of the board of directors of the Corporation dated the 15th day of November, 2021 and that said resolution has not been rescinded, amended or otherwise varied and is now in full force and effect.

Dated this 15th day of November, 2021.



John R. Dow, Secretary



KPMG LLP
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INDEPENDENT AUDITORS' 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, 2021
- 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, 2021, 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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.



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.

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 Entity's internal control.



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- 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 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 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 15, 2021

HOCKEY HALL OF FAME AND MUSEUM

Statement of Financial Position
(In thousands of Canadian dollars)

June 30, 2021, with comparative information for 2020

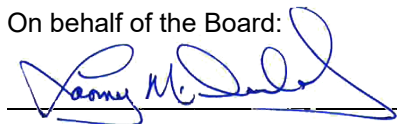
	2021	2020
Assets		
Current assets:		
Cash	\$ 3,970	\$ 3,136
Accounts receivable	130	200
Sponsorships and contributions receivable (note 3)	2,324	3,347
Inventory	1,311	1,285
Prepaid expenses	65	52
	<u>7,800</u>	<u>8,020</u>
Long-term investments (note 2)	2,062	1,967
Sponsorships and contributions receivable (note 3)	976	1,975
Capital assets (note 4)	3,999	5,140
	<u>\$ 14,837</u>	<u>\$ 17,102</u>

Liabilities, Deferred Sponsorships and Contributions and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 195	\$ 702
Unearned revenue	603	552
	<u>798</u>	<u>1,254</u>
Deferred sponsorships and contributions (note 6):		
Capital assets	2,860	2,092
Expenses of future periods	835	1,630
Core operations	1,218	2,275
	<u>4,913</u>	<u>5,997</u>
Net assets:		
Invested in capital assets (note 7(a))	2,639	3,048
Internally restricted (note 8)	4,495	4,900
Endowment (note 9)	2,062	2,062
Unrestricted	(70)	(159)
	<u>9,126</u>	<u>9,851</u>
Commitments (note 10)		
Contingencies (note 14)		
	<u>\$ 14,837</u>	<u>\$ 17,102</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, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Sponsorships and contributions (note 6)	\$ 1,282	\$ 1,715
Admission	88	2,267
Spirit of Hockey retail	146	2,529
Facility sales	–	2,066
Licensing	1,934	2,041
Induction celebration	–	530
Miscellaneous	535	601
	<u>3,985</u>	<u>11,749</u>
Expenses:		
Cost of revenue and direct costs:		
Spirit of Hockey retail	94	2,150
Facility sales	–	1,672
Licensing	241	665
Induction celebration	–	380
Miscellaneous	322	337
	<u>657</u>	<u>5,204</u>
Other costs:		
Staff:		
Salaries, net of direct cost allocations and subsidies (note 16(a))	1,145	2,222
Fringe benefits	554	697
Travel and other	26	79
Amortization of capital assets	1,236	1,384
Marketing and promotion	25	502
Building occupancy and services (note 16(b))	356	851
Resource centre and exhibits	27	31
IT and general office	176	208
Legal, audit and insurance	212	200
Committee and meetings	41	108
Contributed services and subsidized costs (note 6)	550	885
	<u>4,348</u>	<u>7,167</u>
	<u>5,005</u>	<u>12,371</u>
Deficiency of revenue over expenses	\$ (1,020)	\$ (622)

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, 2021, with comparative information for 2020

	Operating		Invested in capital assets	Endowment	2021	2020
	Internally restricted (note 8)	Unrestricted			Total	Total
Net assets, beginning of year	\$ 4,900	\$ (159)	\$ 3,048	\$ 2,062	\$ 9,851	\$ 10,424
Deficiency of revenue over expenses	–	(516)	(504)	–	(1,020)	(622)
Net change in investment in capital assets (note 7(b))	–	(95)	95	–	–	–
Internally imposed restrictions (note 8)	(405)	405	–	–	–	–
Net change in endowment (note 9):						
Investment returns earned from Endowment Fund	–	–	–	295	295	49
Withdrawals for permitted purposes	–	295	–	(295)	–	–
Net assets, end of year	\$ 4,495	\$ (70)	\$ 2,639	\$ 2,062	\$ 9,126	\$ 9,851

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, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	\$ (1,020)	\$ (622)
Investment returns earned from endowment	295	49
Items not involving cash:		
Amortization of capital assets	1,236	1,384
Amortization of deferred sponsorships and contributions related to capital assets	(732)	(830)
Amortization of deferred sponsorships and contributions related to expenses of future periods	(700)	(1,140)
Amortization of deferred sponsorships and contributions related to core operations	(1,274)	(912)
Net change in new deferred sponsorships	1,622	315
Change in non-cash operating working capital	(425)	(1,027)
	(998)	(2,783)
Financing activities:		
Decrease in sponsorships and contributions receivable	2,021	2,378
Investing activities:		
Decrease (increase) in investments	(94)	2,157
Purchase of capital assets	(95)	(449)
	(189)	1,708
Increase in cash position	834	1,303
Cash position, beginning of year	3,136	1,833
Cash position, end of year	\$ 3,970	\$ 3,136

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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. Long-term investments:

	2021	2020
ScotiaMcLeod Balanced Growth portfolio invested in accordance with Investment Policy Statement of the Endowment Fund	\$ 2,062	\$ 1,967
Supplemental information: Endowment Fund returns reinvested	\$ 295	\$ 49

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2021

3. Sponsorships and contributions receivable:

Net contracted sponsorships and contributions receivable are as follows and include \$735 (2020 - \$1,380) in connection with contributed services commitments:

2022	\$ 2,324
2023	496
2024	280
2025	50
2026	100
Thereafter	50
	\$ 3,300

4. Capital assets:

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Exhibits, leaseholds and furnishings financed by:				
Sponsorships and contributions	\$ 38,603	\$ 37,242	\$ 1,361	\$ 2,052
Core operations	10,677	8,109	2,568	2,889
Spirit of Hockey store leaseholds and fixtures financed by:				
Sponsorships and contributions	1,865	1,865	-	-
Core operations	773	773	-	39
IT and office equipment financed by:				
Sponsorships and contributions	1,955	1,955	-	40
Core operations	1,370	1,300	70	120
	\$ 55,243	\$ 51,244	\$ 3,999	\$ 5,140
Capital assets financed by:				
Sponsorships and contributions	\$ 42,423	\$ 41,062	\$ 1,361	\$ 2,092
Core operations	12,820	10,182	2,638	3,048
	\$ 55,243	\$ 51,244	\$ 3,999	\$ 5,140

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2021

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 no amounts drawn as at June 30, 2021 (2020 - 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:

	2021	2020
Balance, beginning of year	\$ 2,092	\$ 2,922
Additional unspent contributions committed, net	1,500	–
Amounts amortized to revenue	(732)	(830)
Balance, end of year	\$ 2,860	\$ 2,092

(b) Related to expenses of future periods:

	2021	2020
Balance, beginning of year	\$ 1,630	\$ 2,620
New sponsorship commitments and contributions, net	(95)	150
Amounts taken into revenue:		
Contributed services and subsidized expenses	(550)	(885)
Amounts taken into core operations	(150)	(255)
Balance, end of year	\$ 835	\$ 1,630

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2021

6. Deferred sponsorships and contributions (continued):

(c) Related to core operations:

	2021	2020
Balance, beginning of year	\$ 2,275	\$ 3,022
New sponsorship commitments and contributions, net	217	165
Amounts taken into core operations	(1,274)	(912)
Balance, end of year	\$ 1,218	\$ 2,275

7. Investment in capital assets:

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

	2021	2020
Capital assets	\$ 3,999	\$ 5,140
Amounts funded by deferred contributions, net of unspent	(1,360)	(2,092)
	\$ 2,639	\$ 3,048

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

	2021	2020
Excess of expenses over revenue:		
Amortization of deferred sponsorships and contributions related to capital assets	\$ 732	\$ 830
Amortization of capital assets	(1,236)	(1,384)
	\$ (504)	\$ (554)
Net change in investment in capital assets:		
Purchase of capital assets	\$ 95	\$ 449

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2021

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:

	2021	2020
Deficiency of revenue over expenses	\$ (1,020)	\$ (622)
Sponsorships and contributions	(1,282)	(1,715)
Amortization of certain capital assets	1,147	1,247
Contributed services and subsidized expenses	550	885
Deficit from core operations	(605)	(205)
Amounts transferred from Endowment Fund to fund operating deficits	295	205
Purchase of capital assets funded by internally restricted amounts	(95)	(399)
	(405)	(399)
Internally restricted amounts, beginning of year	4,900	5,299
Internally restricted amounts, end of year	\$ 4,495	\$ 4,900

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2021

9. Endowment:

(a) The Endowment is calculated as follows:

	2021	2020
Endowment Fund returns reinvested	\$ 295	\$ 49
Amounts transferred from Endowment Fund to fund operating deficits	(295)	(205)
	-	(156)
Endowment, beginning of year	2,062	2,218
Endowment, end of year	\$ 2,062	\$ 2,062

(b) Endowment Fund comprises:

	2021	2020
Long-term investments (note 2)	\$ 2,062	\$ 1,967
Cash	-	95
	\$ 2,062	\$ 2,062

	2021	2020
Fund Capital (as defined in By-law No. 28):		
Internally restricted (externally unrestricted) cumulative contributions	\$ 2,000	\$ 2,000
Externally restricted cumulative contributions	-	-
	2,000	2,000
Endowment Fund returns reinvested	62	62
	\$ 2,062	\$ 2,062

(c) 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 (2020 - \$45) and Phase 2 Endowment Bequest Gift of \$1,000 (not reflected as Fund Capital in the Endowment Fund until received).

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2021

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:

2022	\$ 626
2023	335
2024	237
2025	237
2026	237
Thereafter	1,756
	<hr/> \$ 3,428 <hr/>

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 nil (2020 - \$100) 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 (2020 - \$500).

Purchase of Hall of Fame Induction Celebration "gala tickets" of nil (2020 - \$128).

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.

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2021

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, 2021 amount to \$328 (2020 - \$374), which includes \$24 (2020 - \$67) of special solvency payments.

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 2021, the Hall of Fame incurred no additional rent (2020 - nil). In 2021, additional rent will occur if 6% of gross revenue (net of sales tax) for the lease year exceeds \$221.

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 \$1 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 \$1 is included in the Hall of Fame's cash balance:

	2021	2020
	(In actual dollars)	
Customer deposits	\$ (2,653)	\$ (4,967)
Covered by bank balance in trust	1,088	5,321
Surplus (deficit)	\$ (1,565)	\$ 354

HOCKEY HALL OF FAME AND MUSEUM

Notes to Financial Statements (continued)

(In thousands of Canadian dollars, unless otherwise indicated)

Year ended June 30, 2021

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 as outlined in note 17. The Company received \$1,205 (2020 - \$446) 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 outlined in note 17. The Company received \$252 (2020 - nil) under the CERS program during the year.

17. Industry risk:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian government, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine period and social distancing, have caused material disruption to businesses globally and in Canada resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions; however, the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the Hall of Fame's statement of operations and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Hall of Fame is not known at this time.

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, 2021, with comparative information for 2020

(Unaudited)

	2021		2020	
	Paid attendance	Admission revenue	Paid attendance	Admission revenue
July	914	\$ 13	33,231	\$ 531
August	2,789	43	32,968	533
September	1,354	22	12,883	218
October	413	6	12,786	220
November	237	4	11,007	181
December	—	—	11,184	185
January	—	—	9,312	143
February	—	—	10,708	177
March	—	—	3,466	63
April	—	—	—	—
May	—	—	—	—
June	—	—	—	16
Total attendance/admission revenue	5,707	\$ 88	137,545	\$ 2,267

	2021	2020
Average admission revenue per capita	\$ 16.29	\$ 16.48
Admission prices:		
General admission	\$ 20.00	\$ 20.00
Children, three years and under	Free	Free
Seniors	16.00	16.00
Youth (4 - 13 years)	14.00	14.00

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, 2021, with comparative information for 2020
(Unaudited)

	2021	2020
Sales	\$ 146	\$ 2,529
Cost of sales	92	1,351
	54	1,178
Other sales-related costs:		
Bank and credit card charges	3	64
Occupancy - percentage rent	4	—
E-Commerce shipping and handling	1	14
	8	78
	46	1,100
Other expenses (recoveries):		
Staff:		
Salaries (Schedule 4)	15	338
Fringe benefits	—	30
Occupancy:		
Basic rent	(2)	242
Lease operating costs	1	48
Property taxes	(24)	36
Packaging and sales supplies	—	16
General office	—	2
Maintenance and repairs	5	9
	(5)	721
Net contribution from Spirit of Hockey retail operations	\$ 51	\$ 379

HOCKEY HALL OF FAME AND MUSEUM

Schedule 3 - Facility Sales

(In thousands of Canadian dollars)

Year ended June 30, 2021, with comparative information for 2020

(Unaudited)

	2021	2020
Revenue:		
Facility sales:		
Full facility rentals	\$ —	\$ 129
Theatre rentals	—	80
Great Hall rentals	—	21
Boardroom rentals	—	8
Commercial access fees	—	5
Food and beverage	—	1,180
Staging and rentals	—	385
Staffing and security	—	138
Merchandise	—	26
Other	—	94
	—	2,066
Expenses:		
Staff:		
Salaries (Schedule 4)	—	238
Fringe benefits	—	24
Food and beverage	—	976
Staging and rentals	—	329
Merchandise	—	15
Direct marketing	—	16
Other	—	74
	—	1,672
Net contribution from facility sales operations	\$ —	\$ 394

HOCKEY HALL OF FAME AND MUSEUM

Schedule 4 - Staff Salaries

(In thousands of Canadian dollars)

Year ended June 30, 2021, with comparative information for 2020

(Unaudited)

	2021	2020
Staff salaries, including bonuses and commissions:		
Gross salaried payroll	\$ 1,744	\$ 2,468
Contracted services	371	190
Hourly payroll:		
Guest services	25	301
Retail services	15	189
Facility sales services	–	117
Building services	113	124
AV and IT support services	79	29
Resource centre and archival services	71	36
Administrative and temporary services	22	31
Gross salaries and wages	2,440	3,485
Less direct cost allocations and subsidies:		
Spirit of Hockey retail	15	338
Facility sales	–	238
Licensing and other:		
IIHF Images contribution	75	75
Outreach Program	–	50
NHL Trophy Movement	–	30
Resource centre grant contribution	–	42
Hockey Canada sublease contribution	–	20
Legends Magazine	–	12
Induction celebration	–	12
Canada Emergency Wage Subsidy	1,205	446
	1,295	1,263
Staff salaries, net of direct cost allocations and subsidies	\$ 1,145	\$ 2,222