



Financial Statements

Ontario Hockey Federation

April 30, 2018

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 12



Independent Auditor's Report

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To the Members of
Ontario Hockey Federation

We have audited the accompanying financial statements of **Ontario Hockey Federation** which comprises the statement of financial position as at April 30, 2018 and the statements of operations and changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Ontario Hockey Federation** as at April 30, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Mississauga, Ontario
June 23, 2018

Grant Thornton LLP

Chartered Professional Accountants
Licensed Public Accountants

Ontario Hockey Federation

Statement of Financial Position

As at April 30

	General 2018	Internally Restricted 2018	Total 2018	General 2017	Internally Restricted 2017	Total 2017
Assets						
Current						
Cash	\$ 898,708	\$ 1,737,508	\$ 2,636,216	\$ 773,105	\$ 1,758,385	\$ 2,531,490
Accounts receivable (Note 3)	346,197	1,691	347,888	291,638	1,078	292,716
Interfund balances (Note 3)	135,120	(135,120)	-	62,379	(62,379)	-
Prepaid expenses	92,188	-	92,188	138,577	-	138,577
	<u>1,472,213</u>	<u>1,604,079</u>	<u>3,076,292</u>	<u>1,265,699</u>	<u>1,697,084</u>	<u>2,962,783</u>
Property and equipment (Note 5)	<u>16,193</u>	<u>-</u>	<u>16,193</u>	<u>20,278</u>	<u>-</u>	<u>20,278</u>
	<u>\$ 1,488,406</u>	<u>\$ 1,604,079</u>	<u>\$ 3,092,485</u>	<u>\$ 1,285,977</u>	<u>\$ 1,697,084</u>	<u>\$ 2,983,061</u>
Liabilities						
Current						
Accounts payable and accruals (Note 3 and 6)	\$ 656,871	\$ -	\$ 656,871	\$ 365,902	\$ -	\$ 365,902
Deferred revenue	<u>482,722</u>	<u>-</u>	<u>482,722</u>	<u>391,791</u>	<u>-</u>	<u>391,791</u>
	<u>1,139,593</u>	<u>-</u>	<u>1,139,593</u>	<u>757,693</u>	<u>-</u>	<u>757,693</u>
Net assets						
Net assets from operations	<u>348,813</u>	<u>1,604,079</u>	<u>1,952,892</u>	<u>528,284</u>	<u>1,697,084</u>	<u>2,225,368</u>
	<u>\$ 1,488,406</u>	<u>\$ 1,604,079</u>	<u>\$ 3,092,485</u>	<u>\$ 1,285,977</u>	<u>\$ 1,697,084</u>	<u>\$ 2,983,061</u>

Commitments (Note 7)

On behalf of the Board

_____ Director

_____ Director

Ontario Hockey Federation

Statement of Operations

Year ended April 30

	General 2018	Internally Restricted 2018	Total 2018	General 2017	Internally Restrctited 2017	Total 2017
Revenues						
Operations (Note 8)	\$ 957,489	\$ -	\$ 957,489	\$ 972,111	\$ -	\$ 972,111
Hockey Canada meetings	14,786	-	14,786	9,232	-	9,232
Ontario Hockey Federation meetings	1,000	-	1,000	1,000	-	1,000
Ontario Hockey Federation meetings operations	11,156	-	11,156	12,982	-	12,982
Championship	10,916	-	10,916	14,200	-	14,200
Development (Note 9)	346,315	-	346,315	440,217	-	440,217
Communication marketing	3,484	-	3,484	6,652	-	6,652
Risk management	-	125,833	125,833	-	127,913	127,913
Coach mentorship	-	382,399	382,399	-	386,856	393,164
Hockey Canada programs	61,696	68,978	130,674	33,820	60,376	94,196
Hockey Canada insurance and assessment	-	5,399,130	5,399,130	-	5,385,995	5,385,995
	<u>\$ 1,406,842</u>	<u>\$ 5,976,340</u>	<u>\$ 7,383,182</u>	<u>\$ 1,490,214</u>	<u>\$ 5,961,140</u>	<u>\$ 7,451,354</u>
Expenditures						
Operations (Note 8)	\$ 741,616	\$ -	\$ 741,616	\$ 733,864	\$ -	\$ 733,864
Hockey Canada meetings	73,641	-	73,641	56,568	-	56,568
Ontario Hockey Federation meetings	83,322	-	83,322	112,470	-	112,470
Ontario Hockey Federation meetings operations	58,663	-	58,663	48,895	-	48,895
Championship	181,159	-	181,159	229,364	-	229,364
Development (Note 9)	339,955	-	339,955	444,567	-	444,567
Communication marketing	72,233	-	72,233	83,924	-	83,924
Risk management	-	213,171	213,171	-	131,619	131,619
Coach mentorship	-	437,044	437,044	-	478,047	250,822
Hockey Canada programs	35,724	20,000	55,724	10,698	20,000	30,698
Hockey Canada insurance and assessment	-	5,399,130	5,399,130	-	5,385,995	5,385,995
	<u>1,586,313</u>	<u>6,069,345</u>	<u>7,655,658</u>	<u>1,720,350</u>	<u>6,015,661</u>	<u>7,736,011</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (179,471)</u>	<u>\$ (93,005)</u>	<u>\$ (272,476)</u>	<u>\$ (230,136)</u>	<u>\$ (54,521)</u>	<u>\$ (284,657)</u>

See accompanying notes to the financial statements.

Ontario Hockey Federation

Statement of Changes in Net Assets

Year ended April 30

	<u>Unrestricted</u>		<u>Internally Restricted</u>					
	<u>General</u>	<u>Hockey Canada Operations</u>	<u>Risk Management</u>	<u>Coach Mentorship</u>	<u>HC Special Initiatives</u>	<u>Total Internally Restricted</u>	Total 2018	Total 2017
Net assets, beginning of the year	\$ 528,284	\$ -	\$ 333,597	\$ 1,182,845	\$ 180,642	\$ 1,697,084	\$ 2,225,368	2,510,025
Excess (deficiency) of revenue over expenditures	<u>(179,471)</u>	<u>-</u>	<u>(87,338)</u>	<u>(54,645)</u>	<u>48,978</u>	<u>(93,005)</u>	<u>(272,476)</u>	\$ <u>(284,657)</u>
Net assets, end of the year	<u>\$ 348,813</u>	<u>\$ -</u>	<u>\$ 246,259</u>	<u>\$ 1,128,200</u>	<u>\$ 229,620</u>	<u>1,604,079</u>	<u>\$ 1,952,892</u>	<u>\$ 2,225,368</u>

See accompanying notes to the financial statements.

Ontario Hockey Federation

Statement of Cash Flows

Year ended April 30

	General	Internally Restricted	Total 2018	Total 2017
Increase (decrease) in cash				
Operating				
Excess (deficiency) of revenue over expenses	\$ (179,471)	\$ (93,005)	\$ (272,476)	\$ (284,657)
Items not affecting cash,				
Amortization of property and equipment	5,668	-	5,668	9,996
Changes in non-cash operating working capital				
Accounts receivable	(54,559)	(613)	(55,172)	(39,125)
Interfund balances	(72,741)	72,741	-	-
Prepaid expenses	46,389	-	46,389	(80,311)
Accounts payable and accruals	290,969	-	290,969	(35,917)
Deferred revenue	90,931	-	90,931	14,455
	127,186	(20,877)	106,309	(415,559)
Investing				
Purchase of property and equipment	(1,583)	-	(1,583)	(15,175)
Increase (decrease) in cash	125,603	(20,877)	104,726	(430,734)
Cash				
Beginning of year	773,105	1,758,385	2,531,490	2,962,224
End of year	\$ 898,708	\$ 1,737,508	\$ 2,636,216	\$ 2,531,490

See accompanying notes to the financial statements.

Ontario Hockey Federation

Notes to the Financial Statements

April 30, 2018

1. Purpose of the organization

Ontario Hockey Federation (the "Federation") is a branch member of Hockey Canada (HC) with the obligation and authority to foster, conduct and govern amateur hockey within its territory in a manner consistent with the constitution, by-laws and regulation of HC.

The Federation was incorporated without share capital on October 3, 1994 and is registered as a non-for-profit organization and thus is exempt from income tax and under the Income tax act ("the Act"). In order to maintain its status as a registered non-for-profit organization under the Act, the Federation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for non-for-profit organizations (ASNPO) and include the following significant accounting policies:

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 date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of property and equipment. Accounts payable are accrued and evaluated as to their completeness.

Financial instruments

The Federation considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Federation accounts for the following as financial instruments:

- cash
- accounts receivable
- accounts payable

Financial assets or liabilities obtained in arms length transactions are initially measured at their fair value and financial assets or liabilities obtained in related party transactions are measured at their exchange amount. The Federation subsequently measures all of its financial assets and financial liabilities at amortized cost.

Ontario Hockey Federation

Notes to the Financial Statements

April 30, 2018

2. Summary of significant accounting policies (continued)

Property and equipment

Property and equipment are recorded at cost. Amortization is recorded on a straight line basis over the estimated useful lives as follows:

Computer equipment	3 years
Office equipment	5 years
Leasehold improvements	6 years

Impairment of long-lived assets

When the Federation determines that a long-lived asset no longer has any long-term service potential to the Federation, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Fund accounting

The Federation maintains funds for financial reporting purposes. The accounts have been classified into the following funds:

General Fund

Reports the Federation's revenue and expenses related to program delivery and administrative activities.

Hockey Canada Operations Fund

An internally restricted fund which reports Hockey Canada's revenue and expenses that flow through the Federation to and from the members.

Risk Management Fund

An internally restricted fund established in 1997, which reports revenues and expenditures related to programs that assist and encourage members to identify, understand and insure against the everyday risks confronted in operation of organized hockey.

Coach Mentorship Fund

An internally restricted fund established in 2001, which reports the revenue and expenditures related to programs that provide coaches with a secondary and continuous source of education and support services. The programs are operated in conjunction with the HC National Coach Mentorship Program.

Hockey Canada (HC) Special Initiatives Fund

An internally restricted fund established in 2013, for the purpose of administering funds received from Hockey Canada for special projects.

Ontario Hockey Federation

Notes to the Financial Statements

April 30, 2018

2. Summary of significant accounting policies (continued)

Revenue recognition

The Federation follows the deferral method of accounting for receipts of revenue and contributions in the fiscal year if received, or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Administration assessment revenues are recognized net of amounts paid to HC as revenues in General Fund based on the hockey season, in order that recorded revenues and expenses are those pertaining to the season just completed.

Operational program revenues are recognized as revenues in the General Fund in the year the related expenses are incurred and the revenues are received or receivable and the receivable amount can be reasonably estimated and collection is reasonably assured. Revenues received and expenses paid which pertain to the next season are recorded as deferred revenue and prepaid expenses, respectively.

Risk Management assessments are recognized as revenue in the Risk Management Fund in the year received or receivable and the receivable amount can be reasonably estimated and collection is reasonably assured.

Risk Management research grants from Hockey Canada are recognized as revenue in the Risk Management Fund in the year received or receivable upon notification of grant approval from Hockey Canada.

Coach Mentorship assessments are recognized as revenue in the Coach Mentorship Fund in the year received or receivable and the receivable amount can be reasonably estimated and collection is reasonably assured.

Financial management income is recognized as revenue of the appropriate fund in the year when earned.

3. Interfund balances

During the year, certain transactions occurred within the General Fund on behalf of the restricted funds resulting in interfund balances receivable.

	<u>2018</u>	<u>2017</u>
Dues from Risk Management Fund	\$ 78,019	\$ 2,277
Dues from Coach Mentorship Fund	57,101	6,832
Dues from HC Special Initiatives Fund	-	53,270

Interfund balances are unsecured, interest-free and due on demand.

Included in the risk management expense is an allocation of overhead from the General Fund in the amount of \$52,500 (2017 - \$52,500)

Ontario Hockey Federation

Notes to the Financial Statements

April 30, 2018

4. Internally restricted net assets

	<u>Risk Management</u>	<u>Coach Mentorship</u>	<u>HC Special Initiatives</u>	<u>Total</u>
Assets				
Current				
Cash	\$ 323,993	\$ 1,184,104	\$ 229,411	\$ 1,737,508
Accounts receivable	285	1,197	209	1,691
Interfund payable	(78,019)	(57,101)	-	(135,120)
	<u>\$ 246,259</u>	<u>\$ 1,128,200</u>	<u>\$ 229,620</u>	<u>\$ 1,604,079</u>
Net assets	<u>246,259</u>	<u>1,128,200</u>	<u>229,620</u>	<u>1,604,079</u>
	<u>\$ 246,259</u>	<u>\$ 1,128,200</u>	<u>\$ 229,620</u>	<u>\$ 1,604,079</u>

5. Property and equipment

			<u>2018</u>	<u>2017</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 51,958	\$ 44,221	\$ 7,737	\$ 9,415
Office equipment	60,897	56,167	4,730	6,029
Leasehold improvements	<u>6,650</u>	<u>2,924</u>	<u>3,726</u>	<u>4,834</u>
	<u>\$ 119,505</u>	<u>\$ 103,312</u>	<u>\$ 16,193</u>	<u>\$ 20,278</u>

During the year, amortization of \$5,668 (2017 - \$9,996) was recorded and included in operations expense.

6. Accounts payable

Included in accounts payable are government remittances payable of \$31,488 (2017 - \$20,525).

7. Lease commitments

Minimum payments under operating leases for rental of premises and equipment over the next three fiscal years are as follows:

2019	\$ 19,462
2020	18,218
2021	<u>10,010</u>
	<u>\$ 47,690</u>

Ontario Hockey Federation

Notes to the Financial Statements

April 30, 2018

8. Operations revenue and expenses

Revenue from operations is comprised of the following:

	<u>2018</u>	<u>2017</u>
Member assessments	\$ 885,767	\$ 907,198
Risk management contribution	52,500	52,500
Other	10,987	9,255
Interest	<u>8,235</u>	<u>3,158</u>
	<u>\$ 957,489</u>	<u>\$ 972,111</u>

Expenses from operations is comprised of the following:

	<u>2018</u>	<u>2017</u>
Salaries and benefits	\$ 475,766	\$ 461,847
Professional fees	77,883	82,052
Technology	63,403	53,463
Office and occupancy	104,929	106,166
Merchandise	13,967	20,340
Amortization	<u>5,668</u>	<u>9,996</u>
	<u>\$ 741,616</u>	<u>\$ 733,864</u>

9. Development revenue and expenses

Revenue from development is comprised of the following:

	<u>2018</u>	<u>2017</u>
Registration fees	\$ 326,315	\$ 398,414
Sponsorship	20,000	20,500
Other	<u>-</u>	<u>21,303</u>
	<u>\$ 346,315</u>	<u>\$ 440,217</u>

Expenses from development is comprised of the following:

	<u>2018</u>	<u>2017</u>
Accommodations and travel	\$ 159,609	\$ 209,374
Honoraria	51,798	56,624
Merchandise	36,844	39,042
Facility rental	47,073	60,930
Technology	21,580	22,812
Other	<u>23,051</u>	<u>55,785</u>
	<u>\$ 339,955</u>	<u>\$ 444,567</u>

Ontario Hockey Federation

Notes to the Financial Statements

April 30, 2018

10. Financial instruments

The main risks the Federation are exposed to through its financial instruments are credit risk, interest risk and liquidity risk. There were no significant changes in exposure from the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its funding obligation. This risk is mitigated by the Federation ensuring revenue is derived from qualified sources. Allowance for doubtful accounts as at April 30, 2018 is \$Nil (2017 - \$Nil).

Interest rate risk

Interest rate price risk is the risk that the fair value of an interest-bearing financial instrument will fluctuate because of market changes in interest rates. The Federation is exposed to interest rate risk with respect to any financial instruments that bear interest at a fixed rate. It is management's opinion that Federation is not exposed to significant interest rate risk arising from its financial instruments.

Liquidity risk

Liquidity risk is the risk that the Federation will encounter difficulty in meeting obligations associated with its financial liabilities. The Federation is, therefore, exposed to liquidity risk with respect to its accounts payable. It is management's opinion that Federation is not exposed to significant liquidity risk arising from its financial instruments.