



Financial Statements

Ontario Hockey Federation

April 30, 2020

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Independent auditor's report

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To the Members of
Ontario Hockey Federation

Opinion

We have audited the financial statements of Ontario Hockey Federation (the "Organization"), which comprise the statement of financial position as at April 30, 2020, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at April 30, 2020, 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 ("ASNPO").

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 report. We are independent of the Organization 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 these financial statements in accordance with ASNPO, 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

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. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton LLP

Mississauga, Canada
June 27, 2020

Chartered Professional Accountants
Licensed Public Accountants

Ontario Hockey Federation

Statement of Financial Position

As at April 30

	General 2020	Internally Restricted 2020 (Note 3)	Total 2020	General 2019	Internally Restricted 2019 (Note 3)	Total 2019
Assets						
Current						
Cash	\$ 855,502	\$ 2,356,974	\$ 3,212,476	\$ 955,087	\$ 1,957,548	\$ 2,912,635
Accounts receivable	297,314	479	297,793	241,048	2,776	243,824
Interfund balances (Note 3)	5,380	(5,380)	-	15,732	(15,732)	-
Prepaid expenses	28,561	-	28,561	172,676	-	172,676
	<u>1,186,757</u>	<u>2,352,073</u>	<u>3,538,830</u>	<u>1,384,543</u>	<u>1,944,592</u>	<u>3,329,135</u>
Property and equipment (Note 4)	<u>17,028</u>	<u>-</u>	<u>17,028</u>	<u>16,149</u>	<u>-</u>	<u>16,149</u>
	<u>\$ 1,203,785</u>	<u>\$ 2,352,073</u>	<u>\$ 3,555,858</u>	<u>\$ 1,400,692</u>	<u>\$ 1,944,592</u>	<u>\$ 3,345,284</u>
Liabilities						
Current						
Accounts payable and accruals (Note 5)	\$ 394,437	\$ -	\$ 394,437	\$ 458,239	\$ -	\$ 458,239
Deferred revenue	241,275	386,391	627,666	563,541	-	563,541
	<u>635,712</u>	<u>386,391</u>	<u>1,022,103</u>	<u>1,021,780</u>	<u>-</u>	<u>1,021,780</u>
Net assets						
Net assets from operations	<u>568,073</u>	<u>1,965,682</u>	<u>2,533,755</u>	<u>378,912</u>	<u>1,944,592</u>	<u>2,323,504</u>
	<u>\$ 1,203,785</u>	<u>\$ 2,352,073</u>	<u>\$ 3,555,858</u>	<u>\$ 1,400,692</u>	<u>\$ 1,944,592</u>	<u>\$ 3,345,284</u>

Commitments (Note 6)

On behalf of the Board of Directors _____ Director _____ Director

Ontario Hockey Federation

Statement of Operations

Year ended April 30

	General 2020	Internally Restricted 2020	Total 2020	General 2019	Internally Restricted 2019	Total 2019
Revenue						
Operations (Note 7)	\$ 1,237,938	\$ -	\$ 1,237,938	\$ 1,096,430	\$ -	\$ 1,096,430
Hockey Canada meetings	10,327	-	10,327	10,847	-	10,847
Ontario Hockey Federation meetings	1,000	-	1,000	1,000	-	1,000
Ontario Hockey Federation meetings - operations	11,549	-	11,549	13,186	-	13,186
Championship	1,425	-	1,425	12,047	-	12,047
Development (Note 8)	433,027	-	433,027	444,847	-	444,847
Communication and marketing	1,000	-	1,000	2,820	-	2,820
Risk management	-	124,751	124,751	-	125,859	125,859
Coach mentorship	-	383,596	383,596	-	387,543	387,543
Hockey Canada - programs	60,310	282,293	342,603	63,627	135,813	199,440
Hockey Canada - insurance and assessment	-	6,462,656	6,462,656	-	6,589,026	6,589,026
	<u>\$ 1,756,576</u>	<u>\$ 7,253,296</u>	<u>\$ 9,009,872</u>	<u>\$ 1,644,804</u>	<u>\$ 7,238,241</u>	<u>\$ 8,883,045</u>
Expenditures						
Operations (Note 7)	\$ 790,655	\$ -	\$ 790,655	\$ 696,807	\$ -	\$ 696,807
Hockey Canada meetings	48,384	-	48,384	40,280	-	40,280
Ontario Hockey Federation meetings	98,669	-	98,669	83,314	-	83,314
Ontario Hockey Federation meetings - operations	30,188	-	30,188	54,223	-	54,223
Championship	104,593	-	104,593	196,498	-	196,498
Development (Note 8)	390,387	-	390,387	433,095	-	433,095
Communication and marketing	72,157	-	72,157	74,648	-	74,648
Risk management	-	90,972	90,972	-	126,521	126,521
Coach mentorship	-	521,668	521,668	-	107,181	107,181
Hockey Canada - programs	32,382	156,910	189,292	35,840	75,000	110,840
Hockey Canada - insurance and assessment	-	6,462,656	6,462,656	-	6,589,026	6,589,026
	<u>1,567,415</u>	<u>7,232,206</u>	<u>8,799,621</u>	<u>1,614,705</u>	<u>6,897,728</u>	<u>8,512,433</u>
Excess of revenue over expenditures	<u>\$ 189,161</u>	<u>\$ 21,090</u>	<u>\$ 210,251</u>	<u>\$ 30,009</u>	<u>\$ 340,513</u>	<u>\$ 370,612</u>

See accompanying notes to the financial statements.

Ontario Hockey Federation

Statement of Changes in Net Assets

Year ended April 30

	Unrestricted	Internally Restricted						Total 2020	Total 2019
	General	Hockey Canada Operations	Hockey Canada Gala Legacy Fund	Risk Management	Coach Mentorship	Hockey Canada Special Initiatives	Total Internally Restricted		
Net assets, beginning of the year	\$ 378,912	\$ -	\$ -	\$ 245,597	\$ 1,408,562	\$ 290,433	\$ 1,944,592	\$ 2,323,504	\$ 1,952,892
Excess (deficiency) of revenue over expenditures	189,161	-	-	33,779	(138,072)	125,383	21,090	210,251	370,612
Net assets, end of the year	<u>\$ 568,073</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,376</u>	<u>\$ 1,270,490</u>	<u>\$ 415,816</u>	<u>\$ 1,965,682</u>	<u>\$ 2,533,755</u>	<u>\$ 2,323,504</u>

See accompanying notes to the financial statements.

Ontario Hockey Federation

Statement of Cash Flows

Year ended April 30

	<u>General</u>	<u>Internally Restricted</u>	<u>Total 2020</u>	<u>Total 2019</u>
Increase (decrease) in cash				
Operating				
Excess of revenue over expenses	\$ 189,161	\$ 21,090	\$ 210,251	\$ 370,612
Item not affecting cash				
Amortization of property and equipment	6,620	-	6,620	6,413
Changes in non-cash operating working capital				
Accounts receivable	(56,266)	2,297	(53,969)	104,064
Interfund balances	10,352	(10,352)	-	-
Prepaid expenses	144,115	-	144,115	(80,488)
Accounts payable and accruals	(63,802)	-	(63,802)	(198,632)
Deferred revenue	(322,266)	386,391	64,125	80,819
	(92,086)	399,426	307,340	282,788
Investing				
Purchase of property and equipment	(7,499)	-	(7,499)	(6,369)
(Decrease) increase in cash	(99,585)	399,426	299,841	276,419
Cash				
Beginning of year	955,087	1,957,548	2,912,635	2,636,216
End of year	\$ 855,502	\$ 2,356,974	\$ 3,212,476	\$ 2,912,635

See accompanying notes to the financial statements.

Ontario Hockey Federation

Notes to the Financial Statements

April 30, 2020

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 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 expenditures 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 and accruals and deferred revenue are evaluated as to their completeness and accuracy based on supporting documentation.

Financial instruments

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

- cash
- accounts receivable
- accounts payable

Financial assets or liabilities obtained are initially measured at their fair value. 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, 2020

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

Fund accounting

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

General Fund

An unrestricted fund that reports the Federation's revenue and expenses related to program delivery and administrative activities.

Hockey Canada Operations Fund

An internally restricted fund which reports HC'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 revenue and expenditures related to programs that assist and encourage members to identify, understand and insure against the everyday risks confronted in the 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 Special Initiatives Fund

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

Hockey Canada Gala Legacy Fund

An internally restricted fund established in fiscal 2020, for the purpose of administering funds from the London Gala and golf event for programs that provide children the opportunity to experience the game.

Ontario Hockey Federation

Notes to the Financial Statements

April 30, 2020

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

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

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

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.

Development and HC programs, insurance and assessment revenue is recognized as revenue in the appropriate fund over the term the service is provided.

All other revenue is recognized as revenue of the appropriate fund in the year earned or when the related expenses are incurred, depending on the nature of the revenue.

Ontario Hockey Federation

Notes to the Financial Statements

April 30, 2020

3. Internally restricted net assets

	<u>HC Gala Legacy Fund</u>	<u>Risk Management</u>	<u>Coach Mentorship</u>	<u>HC Special Initiatives</u>	<u>Total</u>
Assets					
Current					
Cash	\$ 386,327	\$ 280,674	\$ 1,274,220	\$ 415,753	\$ 2,356,974
Accounts receivable	64	50	302	63	479
Interfund payable	-	(1,348)	(4,032)	-	(5,380)
	<u>\$ 386,391</u>	<u>\$ 279,376</u>	<u>\$ 1,270,490</u>	<u>\$ 415,816</u>	<u>\$ 2,352,073</u>
Liabilities					
Current					
Deferred revenue	<u>386,391</u>	-	-	-	<u>386,391</u>
Net assets	<u>\$ 386,391</u>	<u>\$ 279,376</u>	<u>\$ 1,270,490</u>	<u>\$ 415,816</u>	<u>\$ 1,965,682</u>

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 (2019 - \$52,500)

4. Property and equipment

			<u>2020</u>	<u>2019</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 58,222	\$ 49,481	\$ 8,741	\$ 10,548
Office equipment	60,897	59,692	1,205	3,078
Leasehold improvements	<u>12,694</u>	<u>5,612</u>	<u>7,082</u>	<u>2,523</u>
	<u>\$ 131,813</u>	<u>\$ 114,785</u>	<u>\$ 17,028</u>	<u>\$ 16,149</u>

During the year, amortization of \$6,620 (2019 - \$6,413) was recorded and included in operations expense.

5. Government remittances

Included in accounts payable and accruals are government remittances payable of \$33 (2019 - \$4,980).

Ontario Hockey Federation

Notes to the Financial Statements

April 30, 2020

6. Lease commitments

Minimum payments under operating leases for rental of premises and equipment with leases through fiscal 2021 are as follows:

2021	\$ <u>11,068</u>
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7. Operations revenue and expenses

Revenue from operations is comprised of the following:

	<u>2020</u>	<u>2019</u>
Member assessments	\$ 1,128,991	\$ 1,012,957
Risk management contribution	52,500	52,500
Other	39,371	16,000
Interest	<u>17,076</u>	<u>14,973</u>
	<u>\$ 1,237,938</u>	<u>\$ 1,096,430</u>

Expenses from operations is comprised of the following:

	<u>2020</u>	<u>2019</u>
Salaries and benefits	\$ 534,606	\$ 497,674
Office and occupancy	151,819	103,937
Technology	54,188	41,564
Professional fees	32,833	37,927
Merchandise	10,589	9,292
Amortization	<u>6,620</u>	<u>6,413</u>
	<u>\$ 790,655</u>	<u>\$ 696,807</u>

8. Development revenue and expenses

Revenue from development is comprised of the following:

	<u>2020</u>	<u>2019</u>
Registration fees	\$ 413,027	\$ 381,837
Sponsorship	20,000	20,000
Other	<u>-</u>	<u>43,010</u>
	<u>\$ 433,027</u>	<u>\$ 444,847</u>

Ontario Hockey Federation

Notes to the Financial Statements

April 30, 2020

8. Development revenue and expenses (continued)

Expenses from development is comprised of the following:

	<u>2020</u>	<u>2019</u>
Accommodations and travel	\$ 168,853	\$ 219,709
Facility rental	58,286	60,523
Honoraria	55,537	53,000
Other	49,974	26,570
Merchandise	34,883	51,892
Technology	<u>22,854</u>	<u>21,401</u>
	<u>\$ 390,387</u>	<u>\$ 433,095</u>

9. 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, 2020 is \$Nil (2019 - \$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.

Ontario Hockey Federation

Notes to the Financial Statements

April 30, 2020

10. COVID-19

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. Effective March 12, 2020, all Hockey Canada sanctioned events were indefinitely cancelled, including hockey camps, tournaments and clinics to be hosted by the Organization in fiscal 2021. As a result, any fees that had previously been collected for these events are to be refunded and are reflected in accounts payable and accruals in the statement of financial position. In addition, the Organization has successfully applied for government incentives available to assist with the decline in revenue resulting from the cancellation of events, the amounts are included in accounts receivable in the statement of financial position as well as in the statement of operations.

For the impact beyond year end, the Organization has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended April 30, 2020 have not been adjusted to reflect their impact since year end. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods. At the audit report date, the Organization is considering different options available for the 2021 hockey season, although final decisions have not been made. Regardless, the Organization is committed to adjusting its expenditures accordingly depending on the option taken to ensure the sustainability of the Organization.