

ONTARIO HOCKEY FEDERATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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, 2022, 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 Ontario Hockey Federation as at April 30, 2022, and its financial performance 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 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 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 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 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.

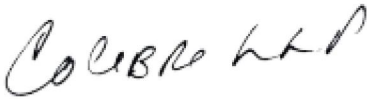
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.

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- 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.



CALIBRE LLP

Chartered Professional Accountants
Licensed Public Accountants

Guelph, Ontario
June 8, 2022

ONTARIO HOCKEY FEDERATION
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2022

	General 2022	Internally Restricted 2022 (Note 2)	Total 2022	General 2021	Internally Restricted 2021 (Note 2)	Total 2021
Assets						
Current						
Cash	\$ 818,755	\$ 1,250,287	\$ 2,069,042	\$ 1,792,103	\$ 2,486,494	\$ 4,278,597
Accounts receivable (note 5)	1,320,908	949	1,321,857	1,775,819	465	1,776,284
Interfund balances (note 2)	(105,890)	105,890	-	(126,347)	126,347	-
Prepaid expenses	50,657	-	50,657	41,640	-	41,640
Guaranteed Investment Certificate	1,000,000	1,200,000	2,200,000	-	-	-
	<u>3,084,430</u>	<u>2,557,126</u>	<u>5,641,556</u>	<u>3,483,215</u>	<u>2,613,306</u>	<u>6,096,521</u>
Property and equipment (note 3)	13,282	-	13,282	15,209	-	15,209
	<u>\$ 3,097,712</u>	<u>\$ 2,557,126</u>	<u>\$ 5,654,838</u>	<u>\$ 3,498,424</u>	<u>\$ 2,613,306</u>	<u>\$ 6,111,730</u>
Liabilities						
Current						
Accounts payable and accrued liabilities (note 4)	\$ 1,177,711	\$ -	\$ 1,177,711	\$ 2,146,595	\$ -	\$ 2,146,595
Deferred revenue	683,121	369,539	1,052,660	241,275	370,593	611,868
	<u>1,860,832</u>	<u>369,539</u>	<u>2,230,371</u>	<u>2,387,870</u>	<u>370,593</u>	<u>2,758,463</u>
Canada Emergency Business Account loan payable (note 6)	40,000	-	40,000	40,000	-	40,000
	<u>1,900,832</u>	<u>369,539</u>	<u>2,270,371</u>	<u>2,427,870</u>	<u>370,593</u>	<u>2,798,463</u>
Commitments (note 7)						
Net assets						
Net assets from operations	1,196,880	2,187,587	3,384,467	1,070,554	2,242,713	3,313,267
	<u>\$ 3,097,712</u>	<u>\$ 2,557,126</u>	<u>\$ 5,654,838</u>	<u>\$ 3,498,424</u>	<u>\$ 2,613,306</u>	<u>\$ 6,111,730</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

(See accompanying notes to financial statements)

ONTARIO HOCKEY FEDERATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2022

	General 2022	Internally Restricted 2022	Total 2022	General 2021	Internally Restricted 2021	Total 2021
Revenue						
Operations (note 8)	\$1,191,705	\$ -	\$ 1,191,705	\$ 1,232,408	\$ -	\$ 1,232,408
Hockey Canada meetings	-	-	-	-	-	-
Ontario Hockey Federation meetings	1,000	-	1,000	1,000	-	1,000
Ontario Hockey Federation meetings - operations	13,141	-	13,141	8,230	-	8,230
Championship	11,000	-	11,000	7,000	-	7,000
Development (note 9)	136,319	-	136,319	83,165	-	83,165
Communication and marketing	1,000	-	1,000	1,000	-	1,000
Risk management	-	102,634	102,634	-	75,863	75,863
Coach mentorship	-	310,323	310,323	-	229,557	229,557
Hockey Canada - programs	20,191	55,814	76,005	57,420	110,723	168,143
Hockey Canada - insurance and assessment	-	4,749,176	4,749,176	-	2,242,377	2,242,377
	<u>\$ 1,374,356</u>	<u>\$ 5,217,947</u>	<u>\$ 6,592,303</u>	<u>\$ 1,390,223</u>	<u>\$ 2,658,520</u>	<u>\$ 4,048,743</u>
Expenditures						
Operations (note 8)	\$939,293	\$ -	\$ 939,293	\$ 755,870	\$ -	\$ 755,870
Hockey Canada meetings	6,060	-	6,060	1,497	-	1,497
Ontario Hockey Federation meetings	31,927	-	31,927	30,857	-	30,857
Ontario Hockey Federation meetings - operations	-	-	-	165	-	165
Championship	121,747	-	121,747	650	-	650
Development (note 9)	90,243	-	90,243	33,882	-	33,882
Communication and marketing	44,641	-	44,641	31,918	-	31,918
Risk management	-	62,203	62,203	-	99,612	99,612
Coach mentorship	-	386,831	386,831	-	39,500	39,500
Hockey Canada - programs	14,119	74,863	88,982	32,903	-	32,903
Hockey Canada - insurance and assessment	-	4,749,176	4,749,176	-	2,242,377	2,242,377
	<u>\$1,248,030</u>	<u>5,273,073</u>	<u>\$ 6,521,103</u>	<u>887,742</u>	<u>2,381,489</u>	<u>3,269,231</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 126,326</u>	<u>\$ (55,126)</u>	<u>\$ 71,200</u>	<u>\$ 502,481</u>	<u>\$ 277,031</u>	<u>\$ 779,512</u>

(See accompanying notes to financial statements)

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**ONTARIO HOCKEY FEDERATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2022**

	Unrestricted	Internally Restricted						Total Internally Restricted	Total 2022	Total 2021
	General	Hockey Canada 50/50 Lottery	Hockey Canada Operations	Hockey Canada Gala Legacy Fund	Risk Management	Coach Mentorship	Hockey Canada Special Initiatives			
Net assets, beginning	\$ 1,070,554	\$ -	\$ -	\$ -	\$ 255,626	\$ 1,460,547	\$ 526,540	\$ 2,242,713	\$ 3,313,267	\$ 2,533,755
Excess (deficiency) of revenue over expenditures	126,326	-	-	-	40,431	(76,508)	(19,049)	(55,126)	71,200	779,512
Net assets, ending	<u>\$ 1,196,880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296,057</u>	<u>\$ 1,384,039</u>	<u>\$ 507,491</u>	<u>\$ 2,187,587</u>	<u>\$ 3,384,467</u>	<u>\$ 3,313,267</u>

(See accompanying notes to financial statements)

ONTARIO HOCKEY FEDERATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2022

	General	Internally Restricted	Total 2022	Total 2021
Excess (deficiency) of revenue over expenditures	\$ 126,326	\$ (55,126)	\$ 71,200	\$ 779,512
Changes to excess of revenue over expenditures not requiring cash:				
Amortization (note 3)	11,055	-	11,055	7,736
Changes in non-cash working capital				
Accounts receivable	454,911	(484)	454,427	(1,478,491)
Interfund balances	(20,457)	20,457	-	-
Prepaid expenses	(9,017)	-	(9,017)	(13,079)
Accounts payable and accruals	(968,884)	-	(968,884)	1,752,158
Deferred revenue	441,846	(1,054)	440,792	(15,798)
	<u>35,780</u>	<u>(36,207)</u>	<u>(427)</u>	<u>1,032,038</u>
Financing activities				
Advances of Canada Emergency Business Account loan payable (note 6)	-	-	-	40,000
Investing activities				
Purchases of equipment	(9,128)	-	(9,128)	(5,917)
Purchases of Guaranteed Investment Certificate	(1,000,000)	(1,200,000)	(2,200,000)	-
	<u>(1,009,128)</u>	<u>(1,200,000)</u>	<u>(2,209,128)</u>	<u>(5,917)</u>
Increase in cash	(973,348)	(1,236,207)	(2,209,555)	1,066,121
Cash, beginning	<u>1,792,103</u>	<u>2,486,494</u>	<u>4,278,597</u>	<u>3,212,476</u>
Cash, ending	<u>\$ 818,755</u>	<u>\$ 1,250,287</u>	<u>\$ 2,069,042</u>	<u>\$ 4,278,597</u>

(See accompanying notes to financial statements)

**ONTARIO HOCKEY FEDERATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022**

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 not-for-profit organization, thus is exempt from income tax under the Income Tax Act ("the Act"). In order to maintain its status as a registered not-for-profit organization under the Act, the Federation must meet certain requirements within the Act. In the opinion of management, these requirements have been and continue to be met.

The organization qualifies as a not-for-profit organization and as such is exempt from income tax under the Income Tax Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and reflect the following policies:

(a) Cash

Cash consists of deposits at a financial institution net of outstanding cheques and deposits.

(b) Property and equipment

Property and equipment are recorded at cost. Amortization is provided at the following annual rates:

Computer equipment	3 years on a straight-line basis
Office equipment	5 years on a straight-line basis
Leasehold improvements	6 years on a straight-line basis

(c) 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 its 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.

**ONTARIO HOCKEY FEDERATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 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.

Hockey Canada 50/50 Lottery

An internally restricted fund established in 2021, for the purpose of administering funds from the 50/50 lottery for individual 50/50 Lottery Legacy Plan submitted to AGCO and in accordance with the Purpose, Values and Vision of the Ontario Hockey Federation.

(d) Revenue recognition

The Federation follows the deferral method of accounting for any contributions including government grants. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable.

Member, insurance, coach mentorship, and risk management assessment revenue is recognized in the period to which the hockey season relates.

Registration fees for development revenue is recognized when the service is performed. Customer payments received in excess of the recognition of this revenue are classified as deferred revenue.

In all instances, revenue is not recognized until persuasive evidence of an arrangement exists, the price to the customer is fixed or determinable, and collection is reasonably assured.

(e) Financial instruments

The organization initially measures its financial assets and liabilities at fair value except for certain non-arm's length transactions. The organization subsequently measures all its financial assets and financial liabilities at amortized cost except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and Canada Emergency Business Account loan payable.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment and any write down is recognized in excess of revenues over expenses in the period when such impairment occurs. In subsequent periods, any previously recognized impairment loss may be reversed, provided that the reversal is no greater than the amount of impairment previously recognized. The amount of any reversal is recognized in the statement of operations.

**ONTARIO HOCKEY FEDERATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(f) Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not for profit organizations requires the organization's management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. There are no items material to the financial statements that require the use of estimates.

2. INTERNALLY RESTRICTED NET ASSETS

	<u>HC 50/50 Lottery</u>	<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	\$ 15,864	\$ 353,602	\$ 83,187	\$ 345,079	\$ 452,555	\$ 1,250,287
Accounts receivable		73	121	662	93	949
Interfund receivable		-	12,749	38,298	54,843	105,890
GIC		-	200,000	1,000,000	-	1,200,000
	<u>\$ 15,864</u>	<u>\$ 353,675</u>	<u>\$ 296,057</u>	<u>\$ 1,384,039</u>	<u>\$ 507,491</u>	<u>\$ 2,557,126</u>
Liabilities						
Current						
Deferred revenue	\$ 15,864	353,675	-	-	-	369,539
Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296,057</u>	<u>\$ 1,384,039</u>	<u>\$ 507,491</u>	<u>\$ 2,187,587</u>

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

Included in risk management expense is an allocation of overhead from the General Fund in the amount of \$52,500 (2021 - \$NIL).

3. PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2022 Net Book Value</u>	<u>2021 Net Book Value</u>
Computer equipment	\$ 72,251	\$ 61,309	\$ 10,942	\$ 10,136
Office equipment	61,913	61,913	-	271
Leasehold improvements	12,694	10,354	2,340	4,802
	<u>\$ 146,858</u>	<u>\$ 133,576</u>	<u>\$ 13,282</u>	<u>\$ 15,209</u>

During the year, amortization of \$11,055 (2021 - \$7,736) was recorded and included in operations expense.

4. GOVERNMENT REMITTANCES

Included in accounts payable and accrued liabilities are government remittances payable of \$18,490 (2021 - \$1,096).

**ONTARIO HOCKEY FEDERATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022**

5. GOVERNMENT ASSISTANCE

Government assistance was recognized during the year related to the Canada Emergency Wage Subsidy program. As at April 30, 2022, an amount of \$97,132 (2021 - \$254,801) related to this assistance is included in operations revenues. An amount of \$NIL (2021 - \$13,500) was received subsequent to year end and included in accounts receivable.

6. CANADA EMERGENCY BUSINESS ACCOUNT LOAN PAYABLE

The loan was provided by the Government of Canada to provide capital to organizations to see them through the current challenges and better position them to return to providing services and creating employment. The loan is unsecured. The loan is interest free with no principal repayments up to December 31, 2023 at which point the balance is converted into a 3-year term loan with interest charged at 5%, payable monthly. If the loan is paid back by December 31, 2023, \$20,000 of the loan will be forgiven. As a result, \$20,000 of this loan has been recognized as operations revenue in the prior period.

7. COMMITMENTS

The organization has entered into various non capital leases for rent of building facilities and equipment. The minimum annual lease payments for the next five years are as follows:

2023	\$ 37,100
2024	37,100
2025	37,600
2026	38,000
2027	<u>22,300</u>
	<u>\$ 172,100</u>

8. OPERATIONS REVENUE AND EXPENDITURES

Revenue from the operations is comprised of the following:

	2022	2021
Member assessments	\$ 1,024,964	\$ 825,208
Risk management contribution	52,500	-
Government assistance (notes 5 and 6)	97,132	274,801
Grants and other	12,013	127,913
Interest	<u>5,096</u>	<u>4,486</u>
	<u>\$ 1,191,705</u>	<u>\$ 1,232,408</u>

Expenditures from operations is comprised of the following:

	2022	2021
Salaries and benefits	\$ 595,977	\$ 538,557
Office and occupancy	193,914	123,134
Professional fees	105,723	57,539
Technology	27,388	28,457
Amortization (note 3)	11,055	7,736
Merchandise	<u>5,236</u>	<u>447</u>
	<u>\$ 939,293</u>	<u>\$ 755,870</u>

**ONTARIO HOCKEY FEDERATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022**

9. DEVELOPMENT REVENUE AND EXPENDITURES

Revenue from development is comprised of the following:

	2022	2021
Registration fees	\$ 124,376	\$ 53,165
Other	11,943	30,000
	<u>\$ 136,319</u>	<u>\$ 83,165</u>

Expenditures from development is comprised of the following:

	2022	2021
Honoraria	59,075	3,950
Other	6,067	2,181
Technology	25,101	27,751
	<u>\$ 90,243</u>	<u>\$ 33,882</u>

10. FINANCIAL INSTRUMENTS

(a) Credit risk

Credit risk is the risk that other parties may default on their financial obligations. The organization is exposed to credit risk on its cash and accounts receivable.

Credit risk associated with cash is minimized substantially by ensuring that the assets are invested with a major financial institution.

(b) Liquidity risk

Liquidity risk refers to the risk that the organization will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the organization not being able to liquidate assets in a timely manner at a reasonable price.

The organization meets its liquidity requirements by monitoring cash flows from operations, anticipating investing and financing activities and holding assets that can readily be converted into cash.

(c) Currency risk

Currency risk refers to the risk that the fair value of financial instruments will fluctuate in value relative to the Canadian dollar due to changes in foreign exchange rates.

The organization is not exposed to significant currency risk.

(d) Interest rate risk

Interest rate risk refers to the risk that the fair value of the financial instruments will fluctuate due to changes in market interest rates.

The organization is not exposed to significant interest rate risk.

**ONTARIO HOCKEY FEDERATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022**

10. FINANCIAL INSTRUMENTS - continued

(e) Other price risk

Other price risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all instruments traded in the market.

The organization is not exposed to significant other price risk.

(f) Market risk

Market risk refers to the risk that the fair value of financial instruments will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

The organization is not exposed to significant market risk.

The extent of the organization's exposure to the above risks did not change significantly in 2022.