

ONTARIO HOCKEY FEDERATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2021

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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, 2021, 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, 2021, 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.

Other Matter

The financial statements of the company for the year ended April 30, 2020 were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion on those statements on June 27, 2020.

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.

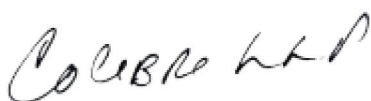
Auditor's Responsibilities for the Audit of the Financial Statements

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.
- 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 17, 2021

ONTARIO HOCKEY FEDERATION
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2021

	General 2021	Internally Restricted 2021 (Note 2)	Total 2021	General 2020	Internally Restricted 2020 (Note 2)	Total 2020
Assets						
Current						
Cash	\$ 1,792,103	\$ 2,486,494	\$ 4,278,597	\$ 855,502	\$ 2,356,974	\$ 3,212,476
Accounts receivable (notes 3 and 6)	1,775,819	465	1,776,284	297,314	479	297,793
Interfund balances (note 2)	(126,347)	126,347	-	5,380	(5,380)	-
Prepaid expenses	41,640	-	41,640	28,561	-	28,561
	<u>3,483,215</u>	<u>2,613,306</u>	<u>6,096,521</u>	<u>1,186,757</u>	<u>2,352,073</u>	<u>3,538,830</u>
Property and equipment (note 4)	15,209	-	15,209	17,028	-	17,028
	<u>\$ 3,498,424</u>	<u>\$ 2,613,306</u>	<u>\$ 6,111,730</u>	<u>\$ 1,203,785</u>	<u>\$ 2,352,073</u>	<u>\$ 3,555,858</u>
Liabilities						
Current						
Accounts payable and accrued liabilities (notes 3 and 5)	\$ 2,146,595	\$ -	\$ 2,146,595	\$ 394,437	\$ -	\$ 394,437
Deferred revenue	241,275	370,593	611,868	241,275	386,391	627,666
	<u>2,387,870</u>	<u>370,593</u>	<u>2,758,463</u>	<u>635,712</u>	<u>386,391</u>	<u>1,022,103</u>
Canada Emergency Business Account loan payable (note 7)	40,000	-	40,000	-	-	-
	<u>2,427,870</u>	<u>370,593</u>	<u>2,798,463</u>	<u>635,712</u>	<u>386,391</u>	<u>1,022,103</u>
Commitments (note 8)						
Net assets						
Net assets from operations	<u>1,070,554</u>	<u>2,242,713</u>	<u>3,313,267</u>	<u>568,073</u>	<u>1,965,682</u>	<u>2,533,755</u>
	<u>\$ 3,498,424</u>	<u>\$ 2,613,306</u>	<u>\$ 6,111,730</u>	<u>\$ 1,203,785</u>	<u>\$ 2,352,073</u>	<u>\$ 3,555,858</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

**ONTARIO HOCKEY FEDERATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2021**

	General 2021	Internally Restricted 2021	Total 2021	General 2020	Internally Restricted 2020	Total 2020
Revenue						
Operations (note 9)	\$1,232,408	\$ -	\$ 1,232,408	\$ 1,237,938	\$ -	\$ 1,237,938
Hockey Canada meetings	-	-	-	10,327	-	10,327
Ontario Hockey Federation meetings	1,000	-	1,000	1,000	-	1,000
Ontario Hockey Federation meetings - operations	8,230	-	8,230	11,549	-	11,549
Championship	7,000	-	7,000	1,425	-	1,425
Development (note 10)	83,165	-	83,165	433,027	-	433,027
Communication and marketing	1,000	-	1,000	1,000	-	1,000
Risk management	-	75,863	75,863	-	124,751	124,751
Coach mentorship	-	229,557	229,557	-	383,596	383,596
Hockey Canada - programs	57,420	110,723	168,143	60,310	282,293	342,603
Hockey Canada - insurance and assessment	-	2,242,377	2,242,377	-	6,462,656	6,462,656
	<u>\$ 1,390,223</u>	<u>\$ 2,658,520</u>	<u>\$ 4,048,743</u>	<u>\$ 1,756,576</u>	<u>\$ 7,253,296</u>	<u>\$ 9,009,872</u>
Expenditures						
Operations (note 9)	\$755,870	\$ -	\$ 755,870	\$ 790,655	\$ -	\$ 790,655
Hockey Canada meetings	1,497	-	1,497	48,384	-	48,384
Ontario Hockey Federation meetings	30,857	-	30,857	98,669	-	98,669
Ontario Hockey Federation meetings - operations	165	-	165	30,188	-	30,188
Championship	650	-	650	104,593	-	104,593
Development (note 10)	33,882	-	33,882	390,387	-	390,387
Communication and marketing	31,918	-	31,918	72,157	-	72,157
Risk management	-	99,612	99,612	-	90,972	90,972
Coach mentorship	-	39,500	39,500	-	521,668	521,668
Hockey Canada - programs	32,903	-	32,903	32,382	156,910	189,292
Hockey Canada - insurance and assessment	-	2,242,377	2,242,377	-	6,462,656	6,462,656
	<u>\$887,742</u>	<u>2,381,489</u>	<u>\$ 3,269,231</u>	<u>1,567,415</u>	<u>7,232,206</u>	<u>8,799,621</u>
Excess of revenue over expenditures	<u>\$ 502,481</u>	<u>\$ 277,031</u>	<u>\$ 779,512</u>	<u>\$ 189,161</u>	<u>\$ 21,090</u>	<u>\$ 210,251</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, 2021**

	Unrestricted	Internally Restricted					Total Internally Restricted	Total 2021	Total 2020
	General	Hockey Canada Operations	Hockey Canada Gala Legacy Fund	Risk Management	Coach Mentorship	Hockey Canada Special Initiatives			
Net assets, beginning	\$ 568,073	\$ -	\$ -	\$ 279,376	\$ 1,270,490	\$ 415,816	\$ 1,965,682	\$ 2,533,755	\$ 2,323,504
Excess (deficiency) of revenue over expenditures	502,481	-	-	(23,749)	190,057	110,724	277,031	779,512	210,251
Net assets, ending	<u>\$ 1,070,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,627</u>	<u>\$ 1,460,547</u>	<u>\$ 526,540</u>	<u>\$ 2,242,713</u>	<u>\$ 3,313,267</u>	<u>\$ 2,533,755</u>

(See accompanying notes to financial statements)

**ONTARIO HOCKEY FEDERATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2021**

	General	Internally Restricted	Total 2021	Total 2020
Operating activities				
Excess of revenue over expenses	\$ 502,481	\$ 277,031	\$ 779,512	\$ 210,251
Changes to excess of revenue over expenses not requiring cash:				
Amortization (note 4)	7,736	-	7,736	6,620
Changes in non-cash working capital				
Accounts receivable	(1,478,505)	14	(1,478,491)	(53,969)
Interfund balances	131,727	(131,727)	-	-
Prepaid expenses	(13,079)	-	(13,079)	144,115
Accounts payable and accruals	1,752,158	-	1,752,158	(63,802)
Deferred revenue	-	(15,798)	(15,798)	64,125
	<u>902,518</u>	<u>129,520</u>	<u>1,032,038</u>	<u>307,340</u>
Financing activities				
Advances of Canada Emergency Business Account loan payable (note 7)	40,000	-	40,000	-
Investing activities				
Purchases of equipment	(5,917)	-	(5,917)	(7,499)
Increase in cash	936,601	129,520	1,066,121	299,841
Cash, beginning	855,502	2,356,974	3,212,476	2,912,635
Cash, ending	<u>\$ 1,792,103</u>	<u>\$ 2,486,494</u>	<u>\$ 4,278,597</u>	<u>\$ 3,212,476</u>

(See accompanying notes to financial statements)
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ONTARIO HOCKEY FEDERATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

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.

ONTARIO HOCKEY FEDERATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 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.

(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.

**ONTARIO HOCKEY FEDERATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(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.

(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 Gala Legacy Fund</u>	<u>Risk Management</u>	<u>Coach Mentorship</u>	<u>HC Special Initiatives</u>	<u>Total</u>
Assets					
Current					
Cash	\$ 370,532	\$ 251,472	\$ 1,447,910	\$ 416,580	\$ 2,486,494
Accounts receivable	61	41	295	68	465
Interfund payable	-	4,114	12,342	109,891	126,347
	<u>\$ 370,593</u>	<u>\$ 255,627</u>	<u>\$ 1,460,547</u>	<u>\$ 526,539</u>	<u>\$ 2,613,306</u>
Liabilities					
Current					
Deferred revenue	370,593	-	-	-	370,593
Net Assets	<u>\$ -</u>	<u>\$ 255,627</u>	<u>\$ 1,460,547</u>	<u>\$ 526,539</u>	<u>\$ 2,242,713</u>

**ONTARIO HOCKEY FEDERATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021**

2. INTERNALLY RESTRICTED NET ASSETS - continued

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 \$nil (2020 - \$52,500).

3. INSURANCE REFUND FROM HOCKEY CANADA

Included in accounts receivable is an amount of \$1,145,596 pertaining to insurance refunded by Hockey Canada due to cancellation of the 2020-2021 hockey season due to Covid-19. Included in accounts payable and accrued liabilities is an amount of \$1,145,596 representing the pass through of this refund to its members.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Computer equipment	\$ 63,123	\$ 52,987	\$ 10,136	\$ 8,741
Office equipment	61,913	61,642	271	1,205
Leasehold improvements	12,695	7,893	4,802	7,082
	\$ 137,731	\$ 122,522	\$ 15,209	\$ 17,028

During the year, amortization of \$7,736 (2020 - \$6,620) was recorded and included in operations expense.

5. GOVERNMENT REMITTANCES

Included in accounts payable and accrued liabilities are government remittances payable of \$1,096 (2020 - \$33).

6. GOVERNMENT ASSISTANCE

Government assistance was recognized during the year related to the Canada Emergency Wage Subsidy program. As at April 30, 2021, an amount of \$254,801 (2020 - \$21,456) related to this assistance is included in operations revenues. An amount of \$13,500 was received subsequent to year end and included in accounts receivable.

**ONTARIO HOCKEY FEDERATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021**

7. CANADA EMERGENCY BUSINESS ACCOUNT LOAN PAYABLE

During the year, the organization received the \$60,000 Canada Emergency Business Account loan. 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, 2022 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, 2022, \$20,000 of the loan will be forgiven. As a result, \$20,000 of this loan has been recognized as operations revenue in the current period.

8. 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 two years are as follows:

2022	\$ 13,362
2023	509
	\$ 13,871

9. OPERATIONS REVENUE AND EXPENSES

Revenue from the operations is comprised of the following:

	2021	2020
Member assessments	\$ 825,208	\$ 1,128,991
Risk management contribution	-	52,500
Government assistance (notes 6 and 7)	274,801	21,456
Grants and other	127,913	17,915
Interest	4,486	17,076
	\$ 1,232,408	\$ 1,237,938

Expenses from operations is comprised of the following:

	2021	2020
Salaries and benefits	\$ 538,557	\$ 534,606
Office and occupancy	123,134	151,819
Professional fees	57,539	32,833
Technology	28,457	54,188
Amortization (note 4)	7,736	6,620
Merchandise	447	10,589
	\$ 755,870	\$ 790,655

**ONTARIO HOCKEY FEDERATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021**

10. DEVELOPMENT REVENUE AND EXPENSES

Revenue from development is comprised of the following:

	2021	2020
Registration fees	\$ 53,165	\$ 413,027
Sponsorship	-	20,000
Other	30,000	-
	<u>\$ 83,165</u>	<u>\$ 433,027</u>

Expenses from development is comprised of the following:

	2021	2020
Accommodation and travel	\$ -	\$ 168,853
Facility rental	-	58,286
Honoraria	3,950	55,537
Other	2,181	49,974
Merchandise	-	34,883
Technology	27,751	22,854
	<u>\$ 33,882</u>	<u>\$ 390,387</u>

11. 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.

ONTARIO HOCKEY FEDERATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

11. FINANCIAL INSTRUMENTS - continued

(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.

(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 2021.