



Financial Statements

Ontario Hockey Federation

April 30, 2019

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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, 2019, 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, 2019, 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 (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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Mississauga, Ontario  
June 22, 2019

Chartered Professional Accountants  
Licensed Public Accountants

# Ontario Hockey Federation

## Statement of Financial Position

As at April 30

	General 2019	Internally Restricted 2019 (Note 4)	<b>Total 2019</b>	General 2018	Internally Restricted 2018	Total 2018
<b>Assets</b>						
<b>Current</b>						
Cash	\$ 955,087	\$ 1,957,548	<b>\$ 2,912,635</b>	\$ 898,708	\$ 1,737,508	\$ 2,636,216
Accounts receivable (Note 3)	241,048	2,776	<b>243,824</b>	347,685	1,691	379,376
Interfund balances (Note 4)	15,732	(15,732)	-	135,120	(135,120)	-
Prepaid expenses	<u>172,676</u>	<u>-</u>	<b><u>172,676</u></b>	<u>92,188</u>	<u>-</u>	<u>92,188</u>
	<u>1,384,543</u>	<u>1,944,592</u>	<b><u>3,329,135</u></b>	<u>1,472,213</u>	<u>1,604,079</u>	<u>3,107,780</u>
Property and equipment (Note 5)	<u>16,149</u>	<u>-</u>	<b><u>16,149</u></b>	<u>16,193</u>	<u>-</u>	<u>16,193</u>
	<b><u>\$ 1,400,692</u></b>	<b><u>\$ 1,944,592</u></b>	<b><u>\$ 3,345,284</u></b>	<b><u>\$ 1,488,406</u></b>	<b><u>\$ 1,604,079</u></b>	<b><u>\$ 3,123,973</u></b>
<b>Liabilities</b>						
<b>Current</b>						
Accounts payable and accruals (Note 3)	\$ 458,239	\$ -	<b>\$ 458,239</b>	\$ 688,359	\$ -	\$ 688,359
Deferred revenue	<u>563,541</u>	<u>-</u>	<b><u>563,541</u></b>	<u>482,722</u>	<u>-</u>	<u>482,722</u>
	<u>1,021,780</u>	<u>-</u>	<b><u>1,021,780</u></b>	<u>1,139,593</u>	<u>-</u>	<u>1,117,081</u>
<b>Net assets</b>						
Net assets from operations	<u>378,912</u>	<u>1,944,592</u>	<b><u>2,323,504</u></b>	<u>348,813</u>	<u>1,604,079</u>	<u>1,952,892</u>
	<b><u>\$ 1,400,692</u></b>	<b><u>\$ 1,944,592</u></b>	<b><u>\$ 3,345,284</u></b>	<b><u>\$ 1,488,406</u></b>	<b><u>\$ 1,604,079</u></b>	<b><u>\$ 3,123,973</u></b>

Commitments (Note 6)

On behalf of the Board of Directors \_\_\_\_\_ Director \_\_\_\_\_ Director

# Ontario Hockey Federation

## Statement of Operations

Year ended April 30

	General 2019	Internally Restricted 2019	Total 2019	General 2018	Internally Restricted 2018	Total 2018
<b>Revenue</b>						
Operations (Note 7)	\$ 1,096,430	\$ -	\$ 1,096,430	\$ 957,489	\$ -	\$ 957,489
Hockey Canada meetings	10,848	-	10,847	14,786	-	14,786
Ontario Hockey Federation meetings	1,000	-	1,000	1,000	-	1,000
Ontario Hockey Federation meetings - operations	13,186	-	13,186	11,156	-	11,156
Championship	12,047	-	12,047	10,916	-	10,916
Development (Note 8)	444,847	-	444,847	346,315	-	346,315
Communication and marketing	2,820	-	2,820	3,484	-	3,484
Risk management	-	125,859	125,859	-	125,833	125,833
Coach mentorship	-	387,543	387,543	-	382,399	382,399
Hockey Canada - programs	63,627	135,813	199,440	61,696	68,978	130,674
Hockey Canada - insurance and assessment	-	6,589,026	6,589,026	-	5,399,130	5,399,130
	<u>\$ 1,644,805</u>	<u>\$ 7,238,241</u>	<u>\$ 8,883,045</u>	<u>\$ 1,406,842</u>	<u>\$ 5,976,340</u>	<u>\$ 7,383,182</u>
<b>Expenditures</b>						
Operations (Note 7)	\$ 696,807	\$ -	\$ 696,807	\$ 741,616	\$ -	\$ 741,616
Hockey Canada meetings	40,280	-	40,280	73,641	-	73,641
Ontario Hockey Federation meetings	83,314	-	83,314	83,322	-	83,322
Ontario Hockey Federation meetings - operations	54,223	-	54,223	58,663	-	58,663
Championship	196,498	-	196,498	181,159	-	181,159
Development (Note 8)	433,095	-	433,095	339,955	-	339,955
Communication and marketing	74,648	-	74,648	72,233	-	72,233
Risk management	-	126,521	126,521	-	213,171	213,171
Coach mentorship	-	107,181	107,181	-	437,044	437,044
Hockey Canada - programs	35,840	75,000	110,840	35,724	20,000	55,724
Hockey Canada - insurance and assessment	-	6,589,026	6,589,026	-	5,399,130	5,399,130
	<u>1,614,705</u>	<u>6,897,728</u>	<u>8,512,433</u>	<u>1,586,313</u>	<u>6,069,345</u>	<u>7,655,658</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u>\$ 30,100</u>	<u>\$ 340,513</u>	<u>\$ 370,612</u>	<u>\$ (179,471)</u>	<u>\$ (93,005)</u>	<u>\$ (272,476)</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 2019	Total 2018
	General	Hockey Canada Operations	Risk Management	Coach Mentorship	Hockey Canada Special Initiatives	Total Internally Restricted		
Net assets, beginning of the year	\$ 348,813	\$ -	\$ 246,259	\$ 1,128,200	\$ 229,620	\$ 1,604,079	\$ 1,952,892	\$ 2,225,368
Excess (deficiency) of revenue over expenditures	<u>30,099</u>	<u>-</u>	<u>(662)</u>	<u>280,362</u>	<u>60,813</u>	<u>340,513</u>	<u>370,612</u>	<u>(272,476)</u>
Net assets, end of the year	<u>\$ 378,912</u>	<u>\$ -</u>	<u>\$ 245,597</u>	<u>\$ 1,408,562</u>	<u>\$ 290,433</u>	<u>\$ 1,944,592</u>	<u>\$ 2,323,504</u>	<u>\$ 1,952,892</u>

See accompanying notes to the financial statements.

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## Ontario Hockey Federation

### Statement of Cash Flows

Year ended April 30

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	<u>General</u>	<u>Internally Restricted</u>	<u>Total 2019</u>	<u>Total 2018</u>
Increase (decrease) in cash				
<b>Operating</b>				
Excess (deficiency) of revenue over expenses	\$ 30,099	\$ 340,513	\$ 370,612	\$ (272,476)
Item not affecting cash				
Amortization of property and equipment	6,413	-	6,413	5,668
Changes in non-cash operating working capital				
Accounts receivable	105,149	(1,085)	104,064	(55,172)
Interfund balances	119,388	(119,388)	-	-
Prepaid expenses	(80,488)	-	(80,488)	46,389
Accounts payable and accruals	(198,632)	-	(198,632)	290,969
Deferred revenue	80,819	-	80,819	90,931
	62,748	220,040	282,788	106,309
<b>Investing</b>				
Purchase of property and equipment	(6,369)	-	(6,369)	(1,583)
Increase in cash	56,379	220,040	276,419	104,726
Cash				
Beginning of year	898,708	1,737,508	2,636,216	2,531,490
End of year	\$ 955,087	\$ 1,957,548	\$ 2,912,635	\$ 2,636,216

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See accompanying notes to the financial statements.



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# Ontario Hockey Federation

## Notes to the Financial Statements

April 30, 2019

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### 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 meet.

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### 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 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.

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# Ontario Hockey Federation

## Notes to the Financial Statements

April 30, 2019

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### 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.

##### HC Special Initiatives Fund

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

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# Ontario Hockey Federation

## Notes to the Financial Statements

April 30, 2019

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### 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.

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

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### 3. Government remittances

Included in accounts payable and accruals are government remittances payable of \$4,980 (2018 - \$Nil).

Included in accounts receivable are government remittances receivable of \$Nil (2018 - \$31,488)

# Ontario Hockey Federation

## Notes to the Financial Statements

April 30, 2019

### 4. Internally restricted net assets

	<u>Risk Management</u>	<u>Coach Mentorship</u>	<u>HC Special Initiatives</u>	<u>Total</u>
<b>Assets</b>				
Current				
Cash	\$ 258,720	\$ 1,408,777	\$ 290,051	\$ 1,957,548
Accounts receivable	332	2,061	382	2,776
Interfund payable	<u>(13,455)</u>	<u>(2,277)</u>	<u>-</u>	<u>(15,732)</u>
	<u>\$ 245,597</u>	<u>\$ 1,408,562</u>	<u>\$ 290,433</u>	<u>\$ 1,944,592</u>
<b>Net assets</b>	<u>245,597</u>	<u>1,408,562</u>	<u>290,433</u>	<u>1,944,592</u>
	<u>\$ 245,597</u>	<u>\$ 1,408,562</u>	<u>\$ 290,433</u>	<u>\$ 1,944,592</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 (2018 - \$52,500)

### 5. Property and equipment

			<u>2019</u>	<u>2018</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 56,768	\$ 46,220	\$ 10,548	\$ 7,737
Office equipment	60,897	57,819	3,078	4,730
Leasehold improvements	<u>6,650</u>	<u>4,127</u>	<u>2,523</u>	<u>3,726</u>
	<u>\$ 119,505</u>	<u>\$ 103,312</u>	<u>\$ 16,149</u>	<u>\$ 16,193</u>

During the year, amortization of \$6,413 (2018 - \$5,668) was recorded and included in operations expense.

### 6. Lease commitments

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

2020	\$ 18,218
2021	<u>10,010</u>
	<u>\$ 28,228</u>

# Ontario Hockey Federation

## Notes to the Financial Statements

April 30, 2019

### 7. Operations revenue and expenses

Revenue from operations is comprised of the following:

	<u>2019</u>	<u>2018</u>
Member assessments	\$ 1,012,957	\$ 885,767
Risk management contribution	52,500	52,500
Other	16,000	10,987
Interest	<u>14,973</u>	<u>8,235</u>
	<u>\$ 1,096,430</u>	<u>\$ 957,489</u>

Expenses from operations is comprised of the following:

	<u>2019</u>	<u>2018</u>
Salaries and benefits	\$ 497,674	\$ 475,766
Office and occupancy	103,937	104,929
Technology	41,564	63,403
Professional fees	37,927	77,883
Merchandise	9,292	13,967
Amortization	<u>6,413</u>	<u>5,668</u>
	<u>\$ 696,807</u>	<u>\$ 741,616</u>

### 8. Development revenue and expenses

Revenue from development is comprised of the following:

	<u>2019</u>	<u>2018</u>
Registration fees	\$ 381,837	\$ 326,315
Other	43,010	-
Sponsorship	<u>20,000</u>	<u>20,000</u>
	<u>\$ 444,847</u>	<u>\$ 346,315</u>

Expenses from development is comprised of the following:

	<u>2019</u>	<u>2018</u>
Accommodations and travel	\$ 219,709	\$ 159,609
Facility rental	60,523	47,073
Honoraria	53,000	51,798
Merchandise	51,892	36,844
Other	26,570	23,051
Technology	<u>21,401</u>	<u>21,580</u>
	<u>\$ 433,095</u>	<u>\$ 339,955</u>

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# Ontario Hockey Federation

## Notes to the Financial Statements

April 30, 2019

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### 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, 2019 is \$Nil (2018 - \$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.

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### 10. Comparative amounts

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2019 financial statements.