



Hockey Canada

Financial Statements
As at and for the year ended June 30, 2024

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Independent Auditor's Report

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Management's Responsibility

To the Members of Hockey Canada:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee (the "Committee") is composed primarily of Directors who are neither management nor employees of the Organization. The Committee is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Committee fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Committee is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the Members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

signed "Stephen R. Brooks"

Stephen R. Brooks
Chief Financial Officer

To the Members of Hockey Canada:

Opinion

We have audited the financial statements of Hockey Canada (the "Organization"), which comprise the statement of financial position as at June 30, 2024, and the statements of changes in fund balances, operations 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 June 30, 2024, 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.

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.

Other Information - Unaudited Schedule

Our audit of Hockey Canada's financial statements for the year ended June 30, 2024 was not directed to the determination of the accuracy of the information included in the Schedule of Sport Canada Funded Revenue and Expenses. While such information has been subjected to the auditing process applied in the audit of the financial statements as a whole, we do not express an opinion on the Schedule of Sport Canada Funded Revenue and Expenses.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Calgary, Alberta

October 10, 2024

MNP LLP

Chartered Professional Accountants



Statement of Financial Position

As at June 30

						2024	2023
	Operating Fund	Insurance Fund	Uninsured Risk Fund	International Event Hosting Support Fund	Strategic Plan Fund	Total	Total
Assets							
Current							
Cash (Note 3)	\$ 1,693,941	\$ 227,288	\$ 384,561	\$ 8,981,151	\$ 223,382	\$ 11,510,323	\$ 5,465,183
Accounts receivable (Note 4)	3,250,612	159,093	21,116	209,538	246	3,640,605	6,749,044
Hockey Resource Centre inventories (Note 5)	358,415	-	-	-	-	358,415	1,006,122
Prepaid expenses	455,825	-	-	1,748,245	118,688	2,322,758	3,154,424
Due from related parties (Note 6)	734,303	-	-	-	-	734,303	1,044,601
	6,493,096	386,381	405,677	10,938,934	342,316	18,566,404	17,419,374
Long-term investments (Note 7)	9,235,973	10,610,318	13,649,877	4,458,152	7,135,904	45,090,224	56,397,776
Tangible capital assets (Note 8)	1,559,351	-	-	-	912,651	2,472,002	2,643,670
	17,288,420	10,996,699	14,055,554	15,397,086	8,390,871	66,128,630	76,460,820
Liabilities and Fund Balances							
Current							
Bank indebtedness (Note 3)	-	-	-	-	-	-	330,000
Accounts payable and accrued liabilities (Note 9)	6,355,774	953,683	70,224	173,661	255,406	7,808,748	18,267,216
Deferred contributions, operations (Note 10)	2,969,576	-	-	-	25,500	2,995,076	2,240,654
Deferred contributions, international event hosting (Note 11)	-	-	-	12,477,164	-	12,477,164	-
	9,325,350	953,683	70,224	12,650,825	280,906	23,280,988	20,837,870
Other liabilities and provisions (Note 12)	-	1,193,261	-	-	-	1,193,261	1,459,753
	9,325,350	2,146,944	70,224	12,650,825	280,906	24,474,249	22,297,623
Contingencies, Subsequent Events and Commitments (Note 12, 17 and 19)							
Fund balances							
Internally restricted	-	8,849,755	13,985,330	2,746,261	8,109,965	33,691,311	34,476,552
Unrestricted	7,963,070	-	-	-	-	7,963,070	19,686,645
	7,963,070	8,849,755	13,985,330	2,746,261	8,109,965	41,654,381	54,163,197
	\$ 17,288,420	\$ 10,996,699	\$ 14,055,554	\$ 15,397,086	\$ 8,390,871	\$ 66,128,630	\$ 76,460,820

On behalf of the Board:

signed "Kristi Miller"

Kristi Miller
Director

On behalf of Management:

signed "Stephen R. Brooks"

Stephen R. Brooks
Chief Financial Officer



Statement of Changes in Fund Balances

For the year ended June 30						2024	2023
	Operating Fund	Insurance Fund	Uninsured Risk Fund	International Event Hosting Support Fund	Strategic Plan Fund	Total	Total
Fund balances, beginning of the year	\$ 19,686,645	\$ 4,999,228	\$ 14,000,000	\$ 4,660,231	\$ 10,817,093	\$ 54,163,197	\$ 85,793,052
Excess (deficiency) of revenue over expenditures for the year	(11,723,575)	3,850,527	(14,670)	(1,913,970)	(2,707,128)	(12,508,816)	(31,629,855)
	7,963,070	8,849,755	13,985,330	2,746,261	8,109,965	41,654,381	54,163,197
Interfund transfers	-	-	-	-	-	-	-
Fund balances, end of year	\$ 7,963,070	\$ 8,849,755	\$ 13,985,330	\$ 2,746,261	\$ 8,109,965	\$ 41,654,381	\$ 54,163,197



Statement of Operations

For the year ended June 30

2024 2023

	Operating Fund	Insurance Fund	Uninsured Risk Fund	International Event Hosting Support Fund	Strategic Plan Fund	Total	Total
Revenue							
Funding (Notes 6 and 14)	\$ 7,283,313	\$ -	\$ -	\$ -	\$ -	\$ 7,283,313	\$ 5,945,841
Marketing (Note 16)	19,016,515	-	-	-	-	19,016,515	10,286,883
National events and camps (Note 14)	728,356	-	-	-	-	728,356	1,220,529
National teams	2,001,544	-	-	-	-	2,001,544	3,741,092
International event hosting (Notes 15)	-	-	-	12,525	-	12,525	29,731,698
World Para Ice Hockey Championships 2024 (Notes 15)	-	-	-	1,219,843	-	1,219,843	-
Investment and interest income	1,076,104	296,388	610,495	163,546	424,038	2,570,571	2,780,177
Administration	458,304	-	-	-	-	458,304	329,902
Member services	2,911,045	-	-	-	8,765	2,919,810	841,279
Member engagement	3,903,681	-	-	-	25,500	3,929,181	3,076,932
Sport Safety	1,914,067	-	-	-	-	1,914,067	-
Insurance premiums - registration fees	-	16,518,025	-	-	-	16,518,025	14,238,352
	39,292,929	16,814,413	610,495	1,395,914	458,303	58,572,054	72,192,685
Expenses							
Funding	9,598	-	-	-	-	9,598	856,493
Marketing (Note 16)	1,278,772	-	-	-	-	1,278,772	726,746
National events and camps (Note 6)	3,723,664	-	-	-	-	3,723,664	2,316,678
National teams	12,976,453	-	-	-	86,723	13,063,176	14,583,288
International event hosting	-	-	-	203,549	-	203,549	32,149,212
World Para Ice Hockey Championships 2024	-	-	-	1,095,340	-	1,095,340	-
Administration	20,439,734	63,947	1,077,547	2,111,045	1,080,859	24,773,132	30,823,468
Member services	5,104,530	-	-	-	1,638,473	6,743,003	8,504,883
Member engagement	4,136,125	-	-	-	711,477	4,847,602	4,137,365
Insurance premiums	-	12,173,680	-	-	-	12,173,680	11,706,189
Health benefit claims	-	1,085,114	-	-	-	1,085,114	1,126,460
Sport Safety	3,710,872	-	-	-	-	3,710,872	2,454,135
Insurance claims and reserve adjustment (Note 12)	-	(266,493)	-	-	-	(266,493)	1,027,653
	51,379,748	13,056,248	1,077,547	3,409,934	3,517,532	72,441,009	110,412,570
Excess (deficiency) of revenue over expenditures for the year before other items	(12,086,819)	3,758,165	(467,052)	(2,014,020)	(3,059,229)	(13,868,955)	(38,219,885)
Other items							
Unrealized gain (loss) on market value of investments	363,244	92,362	452,382	100,050	352,101	1,360,139	6,590,030
	363,244	92,362	452,382	100,050	352,101	1,360,139	6,590,030
Excess (deficiency) of revenue over expenditures for the year	\$ (11,723,575)	\$ 3,850,527	\$ (14,670)	\$ (1,913,970)	\$ (2,707,128)	\$ (12,508,816)	\$ (31,629,855)

The accompanying notes are an integral part of these financial statements.



Statement of Cash Flows

For the year ended June 30	2024	2023
Cash flows from operating activities		
Excess (deficiency) of revenue over expenditures for the year	\$ (12,508,816)	\$ (31,629,855)
Items not involving cash		
Amortization of tangible capital assets	502,122	462,225
Disposal of tangible capital assets	-	17,392
Unrealized loss (gain) on market value of investments	(1,360,139)	(6,590,030)
	<u>(13,366,833)</u>	<u>(37,740,268)</u>
Changes in non-cash working capital balances		
Accounts receivable	3,108,439	(2,599)
Hockey Resource Centre inventories	647,707	8,999
Prepaid expenses	831,666	(1,118,824)
Accounts payable and accrued liabilities	(10,458,468)	1,226,199
Deferred contributions, operations	754,422	(3,646,718)
Deferred contributions, international event hosting	12,477,164	-
Other liabilities and provisions	(266,492)	(977,764)
	<u>7,094,438</u>	<u>(4,510,707)</u>
	<u>(6,272,395)</u>	<u>(42,250,975)</u>
Cash flows from investing activities		
Purchase of tangible capital assets	(330,454)	(479,714)
Purchase of long-term investments	(2,669,486)	(2,172,411)
Proceeds on disposal of investments	15,337,177	53,601,614
Repayments from (advances to) related parties	310,298	(749,836)
	<u>12,647,535</u>	<u>50,199,653</u>
Cash flows from financing activities		
Increase (decrease) in bank indebtedness	(330,000)	(7,558,065)
Increase (decrease) in cash during the year	6,045,140	390,613
Cash, beginning of the year	5,465,183	5,074,570
Cash, end of the year	<u>\$ 11,510,323</u>	<u>\$ 5,465,183</u>



Notes to the Financial Statements

1. Nature of Operations

Hockey Canada (the “Organization”) is a registered Canadian Amateur Athletic Association incorporated without share capital under the laws of Canada. The Organization carries on operations for the express purpose of improving and enhancing the growth and development of hockey in Canada.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit Organizations (ASNPO).

Fund Accounting

Operating Fund

The Operating Fund accounts for the cost of grassroots programs, events, national teams, sport safety, administrative and other operating expenditures of the Organization. This fund reports the grants, annual membership fees, annual team assessment fees for national competitions, gate receipts, performance bonds, sanction fees, appeals and protest fees, proceeds from the sale of merchandise, products and educational resources, sponsorship proceeds, the sale of broadcast and television rights and other sources stipulated from time to time by the Board. The Organization’s tangible capital assets included in the Operating Fund are considered internally restricted.

Insurance Fund

The Insurance Fund accounts for insurance fees and premiums. The Insurance Fund reports the directors’ and officers’ insurance premiums, general liability insurance premiums, insurance deductibles, and supplementary accidental death and dismemberment coverage during sanctioned hockey activities. In addition, separate from the insurance policies, the Organization provides Major Medical/Dental secondary compensation, which is designed to assist registered participants with medical and dental expenses when they have used up all the insurance available from their private insurance, or the participant does not have any private insurance. A provision is made for all known incidents where an estimate is determinable, including the insurance deductibles and professional fees related to these actions. Funds in the Insurance Fund originate from the fees that the Organization charges its Members and in turn the participants. These fees are approved on an annual basis by the Board.

Uninsured Risk Fund

The Uninsured Risk Fund accounts solely for uninsured claims that would not be covered under any active insurance policy. As of March 1, 2023, the Commercial General Liability policy of the Organization now only covers a claim period dating back to March 1, 2020, for any sexual misconduct claims. Any unidentified sexual misconduct claims brought forward pre-dating March 2020 would therefore be considered uninsured and potentially covered under the Uninsured Risk Fund. A provision is made for all



2. Summary of Significant Accounting Policies (continued)

known incidents where an estimate is reasonably determinable. Any changes to the fund balance, through fund transfer, will be recommended by Management with approval by the Risk Management Committee of the Board and ultimately the full Board. All uninsured claims are reported to the Organization's internal counsel and the Risk Management Committee of the Board. Any settlement of uninsured claims are subject to review by the Risk Management Committee, with a recommendation of settlement provided to the Board. All uninsured claims are approved by the Board.

International Event Hosting Support Fund

The International Event Hosting Support Fund is to be used to support the Organization's hosting of international events, including, but not limited to, the World Junior Hockey Championships, the Women's World Championship, the Hlinka Gretzky Cup, and the World Para Ice Hockey Championships. Fund report the proceeds from the events noted above as well as investment income.

Strategic Plan Fund

The Strategic Plan Fund is to account for the development of the Organization's initiatives, as determined by the Board of Directors, for the development of hockey in Canada at all levels including, but not limited to: supporting the Member Organizations for initiatives that are national in scope, but require delivery at a Member Organization level; to fund current and future technologies; and to support increasing the membership base across the country. Funds include investment income and net proceeds from strategic, long term operating initiatives.

Inventories

Inventories are stated at the lower of cost of net realizable value. Cost is determined on a first in, first out basis.

Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Computer equipment	– 3-year straight-line basis
Leasehold improvements	– straight-line over the term of the lease
Office equipment	– 5-year straight-line basis
Software	– 5-year straight-line basis
Training/medical equipment	– 5-year straight-line basis

When a tangible capital asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.



2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Organization uses the deferral method of accounting for contributions and reports on a fund accounting basis.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred.

Unrestricted contributions and sponsorship (marketing) revenue are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably measured and collection is reasonably assured.

Event revenue is recognized as revenue of the International Event Hosting Support Fund when performance has been achieved if the amount received can be reasonably measured and collection is reasonably assured.

Revenues related to National teams, administration, member engagement, sport safety and member services are recognized as revenue of the Operating Fund, and registration fees for insurance premiums are recognized as revenue of the Insurance Fund in the year received or receivable if the amount can be reasonably measured and collection is reasonably assured.

Investment and interest income is recognized as revenue of the various funds based on fund balances in each of the funds. The unrealized gains and losses on investments result from the change in fair value of investments and is included on the statement of operations.

Contributed Materials and Services

Volunteers contribute many hours per year to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services of volunteer hours, are not recognized in the financial statements. Contributed materials and services are not recognized in the financial statements unless they would normally be purchased by the Organization and their fair market value can be ascertained.

Income Taxes

The Organization claims an exemption for income tax purposes as a Registered Canadian Amateur Athletic Association. Accordingly, no provision for income taxes has been made in these financial statements.



2. Summary of Significant Accounting Policies (continued)

Foreign Currency Translation

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period.

Management Uncertainty

The preparation of financial statements in accordance with ASNPO may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates were required in the valuation of accounts payable and accrued liabilities and other liabilities and provisions reserves (Note 12).

Financial Instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's Length Financial Instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

Investments in equity instruments quoted in an active market are subsequently measured at fair value. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance, or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related Party Financial Instruments

The Organization initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding



2. Summary of Significant Accounting Policies (continued)

interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

Financial instruments that were initially measured at cost are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenue over expenses.

Financial Asset Impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when no asset is individually significant. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenue over expenses in the year the reversal occurs.

3. Cash

The Organization's bank accounts are held at a chartered bank. Scotiabank bank accounts earn interest at the lower of the Bank of Canada Overnight Target rate or 0.400% per annum. The Overnight Target rate at June 30, 2024 was 5% (2023 – 4.75%).

Bank balances include \$34,380 (2023 - \$397,805) denominated in U.S. dollars converted to \$47,777 (2023 - \$529,081) Canadian. Cash totaling \$1,248,779 (2023 - \$2,106,115) is held in an investment portfolio that is grouped with the Organization's bank balance.



3. Cash (continued)

The Organization also has an available credit card limit of \$3,200,000 with Scotiabank. At June 30, 2024, the Organization had undrawn credit card capacity of \$2,923,986. The Organization also has an available credit card limit of \$890,000 with American Express. At June 30, 2024, the Organization had undrawn credit card capacity of \$890,000 (2023 - \$890,000).

The Organization has a margin account of \$20,000,000 (2023 - \$20,000,000) with Scotiabank at a rate of prime. At June 30, 2024, the Organization had undrawn credit capacity of \$20,000,000. This margin account is subject to limitations based on the value of investments held with Scotiabank.

4. Accounts Receivable

Accounts receivable includes \$783,718 (2023 – \$ 49,500) due from third parties denominated in Swiss Francs converted to \$ 1,148,319 (2023 - \$72,869) Canadian dollars and \$ 27,899 (2023 - \$47,410) due from third parties denominated in U.S. dollars converted to \$37,522 (2023 - \$62,572) Canadian dollars and €187,243 (2023 - €nil) due from third parties in Euros converted to \$278,666 (2023 - \$nil).

5. Hockey Resource Centre Inventories

Merchandise and promotional items used at various events throughout the year, Hockey Resource Centre Inventories, expensed during the year was \$690,964 (2023 - \$991,537).

6. Related Party Transactions

Hockey Canada Foundation/Hockey Canada Foundation U.S.

Hockey Canada exercises significant influence over the Hockey Canada Foundation and the Hockey Canada Foundation U.S. (the Foundations) by virtue of its sharing of premises and administrative support. The Hockey Canada Foundation holds an endowment fund of \$15,082,696 (2023 - \$14,188,733) contributed by the Organization. The income generated from this fund is used to provide funding and support to Hockey Canada's initiatives and other Organizations in the country with objectives similar to Hockey Canada. Transactions with Hockey Canada Foundation are as follows:

	<u>2024</u>	<u>2023</u>
Donations given to:		
Hockey Canada Foundation	\$ 58,966	\$ (37,536)
Hockey Canada Foundation US		7,500
	<u>\$ 58,966</u>	<u>\$ (30,036)</u>
	<u>2024</u>	<u>2023</u>
Grants received from:		
Hockey Canada Foundation	<u>\$ 754,931</u>	<u>\$ 1,157,453</u>

These transactions are measured at the exchange value, which approximates the arms length equivalent value.



6. Related Party Transactions (continued)

	<u>2024</u>	<u>2023</u>
Amounts due from (to) related parties are as follows:		
Hockey Canada Foundation	\$ 734,303	\$ 1,031,020
Hockey Canada Foundation US	-	13,581
	<u>\$ 734,303</u>	<u>\$ 1,044,601</u>

The amounts due to (from) related parties are non-interest bearing, unsecured, and have no fixed terms of repayment.

7. Long-term Investments

	<u>2024</u>	<u>2023</u>
Bond funds	\$ 21,080,934	\$ 26,730,715
Equities	24,009,290	29,667,061
Market value	<u>\$ 45,090,224</u>	<u>\$ 56,397,776</u>

Long-term investments had a weighted average rate of return of 2.46% for the year ended June 30, 2023 (2023 – 3.31%).

8. Tangible Capital Assets

	<u>2024</u>		<u>2023</u>	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 4,035,240	\$ 3,784,846	\$ 3,909,442	\$ 3,660,246
Leasehold improvements	2,035,702	1,021,034	2,035,702	920,188
Office equipment	1,404,340	1,404,340	1,404,340	1,404,340
Software	2,278,719	1,071,779	2,074,060	795,100
Training/medical equipment	563,687	563,687	563,687	563,687
	<u>\$ 10,317,688</u>	<u>\$ 7,845,686</u>	<u>\$ 9,987,231</u>	<u>\$ 7,343,561</u>
Net book value		<u>\$ 2,472,002</u>		<u>\$ 2,643,670</u>

During the year, the Organization recognized amortization expense in the amount of \$502,122 (2023 - \$402,225) included in member services and Strategic Plan Fund expenses. There was no asset disposed or write offs during the year.

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities include \$300 (2023 - \$3,121,240) denominated in Swiss Francs converted to \$463 (2023 - \$4,612,598) Canadian dollars, \$88,294 (2023 - \$180,250) denominated in U.S. dollars converted to \$119,022 (2023 - \$248,375) Canadian dollars, and \$71,400 (2023 - \$105,824) denominated in Euros converted to \$105,000 (2023 - \$152,791) Canadian dollars.



10. Deferred Contributions – Operations

Deferred contributions - operations relate to restricted operating funding received in the current period for expenses that will be incurred in the subsequent period. Changes in the deferred contributions balance reported in the Operating Fund are as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of the year	\$ 2,240,654	\$ 5,887,372
Contributions received	2,995,076	1,254,843
Total Contributions	5,235,730	7,142,215
Recognized as revenue	(2,240,654)	(4,901,561)
Balance, end of the year	<u>\$ 2,995,076</u>	<u>\$ 2,240,654</u>

11. Deferred Contributions – International Event Hosting

Deferred contributions – international event hosting relate to ticket revenue and hosting grants for the 2025 IIHF World Junior Championship tournament held in Ottawa, Ontario taking place from December 2024 to January 2025.

	<u>2024</u>	<u>2023</u>
Balance, beginning of the year	\$ -	\$ -
Contributions received	12,477,164	-
Total Contributions	12,477,164	-
Recognized as revenue	-	-
Balance, end of the year	<u>\$ 12,477,164</u>	<u>\$ -</u>

12. Other Liabilities and Provisions

Given the nature of the operations, the Organization is susceptible to lawsuits from various sources. As a result of this risk, the Organization has obtained insurance coverage which is supplemented by holding funds in reserve to cover uninsured claims. The funds available are the Insurance Fund and the Uninsured Risk Fund, as described in Note 2, and the Participants Legacy Trust Fund, as described in Note 13. At the present time, the Organization has accrued a provision which represents management's estimate of the potential exposure for all known incidents. In instances where an incident has occurred but has not been brought to the Organization's attention, management has asserted that it is unable to make an evaluation of the possible outcome or possible settlement that may arise as a result of unknown incidents. Consequently, no provision for these instances have been made in the financial statements.



12. Other Liabilities and Provisions (continued)

	Insurance Fund 2024	Insurance Fund 2023	Uninsured Risk Fund 2024	Uninsured Risk Fund 2023
				(b)
Provision, beginning of year	\$ 1,459,753	\$ 1,987,517	\$ -	\$ 450,000
Less				
Estimated claims for incidents identified in the year, net of change in estimated claims for incidents identified in prior years (a)	(266,492)	(527,764)	-	(450,000)
Provision, end of year	\$ 1,193,261	\$ 1,459,753	\$ -	\$ -
Settlements Paid	\$ 281,492	\$ 319,174	\$ -	\$ 1,600,000

(a) Claims for incidents have significant estimation uncertainty due to the high number of factors that impact each individual incident. Given the nature of the incident, management relies upon past experience from similar incidents, the magnitude of the incident, external legal advice, and/or specific information about the claimant to determine the estimated claim the Organization may occur.

(b) The amount paid out of the Uninsured Risk Fund in 2023 relate to settlements specific to two civil actions resolved that fiscal year that were outside the scope and coverage of Hockey Canada's insurance program. There were no settlements paid from the Uninsured Risk Fund in 2024.

On December 20, 2019, former CHL player, Daniel Carcillo filed a class action claim against the CHL alleging of historical sexual and physical abuse to members of the CHL dating back to the 1970's. Hockey Canada was named as a potential defendant towards the claim. The class action was not certified; however, an appeal of the certification decision is being brought in the Fall of 2024. It is not yet clear whether Hockey Canada will be liable for any damages or whether insurance coverage for the time period covering the claims will be eligible to protect from any damages, therefore, estimates of a potential provision have not been included as an accounting estimate in the financial statements.

13. Participants Legacy Trust Fund

The Participants Legacy Trust Fund (the Legacy Trust) was established to respond to late reported claims for incidents occurring prior to September 1, 1995, associated with certain member branches and the CHL, in the event the former National Equity Fund, and its successor Fund(s), is insufficient. The Trustees of the Legacy Trust are appointed and terminated by the Organization (Note 19). The Organization also appoints the Legacy Trust's claims committee. Total assets available for distribution as at June 30, 2024 is \$7,883,904 (June 30, 2023 - \$7,450,318). Total income, net of carrying charges and trustee fees,



13. Participants Legacy Trust Fund (continued)

generated from the investment portfolio for the Trust's year ended December 31, 2023, was \$245,016 (December 31, 2022 -\$344,165). This income was distributed to certain member branches and the CHL, the beneficiaries of the Legacy Trust. Based on the trust agreement, the Organization is not able to receive distributions from the Legacy Trust. The Organization had no transactions with the Legacy Trust during the year.

14. Funding

Funding recognized as revenue from government agencies during the fiscal year was:

	2024	2023
Government of Canada	\$ 3,659,373	\$ 4,631,000
Tourism Kelowna	-	30,000
Tourism Kamloops	-	30,000
City of Kitchener	40,000	-
City of Regina	18,000	-
Tourism Saskatchewan	25,000	-
Tourism Sarnia	40,000	-
Tourism Saskatchewan	25,000	-
Discover Saskatoon	25,000	-
	\$ 3,832,373	\$ 4,691,000

15. Funding – International Event Hosting and World Para Ice Hockey Championships

The grants received and recognized as revenue from government agencies, to fund international events hosted in Canada, during the fiscal year was:

		2024	2023
2024 World Para Ice Hockey Championship	Government of Alberta	\$ 1,000,000	\$ -
	Tourism Calgary	50,000	-
2023 World Para Ice Hockey Championship	Tourism Saskatchewan	-	55,000
	Visit Moose Jaw	-	35,000
	Government of Canada	-	250,000
	Sask Sport	-	25,000
2023 IIHF Women's World Championship	City of Brampton	-	300,000
	Government of Canada	-	250,000
	Province of Ontario	-	500,000
2023 IIHF World Junior Hockey Championship	Province of Nova Scotia	-	2,000,000
	Province of New Brunswick	-	1,250,000
	City of Halifax	-	1,000,000
	City of Moncton	-	750,000
2022 IIHF World Junior Hockey Championship	Government of Canada	-	250,000
		\$ 1,050,000	\$ 6,665,000



16. Non-Monetary Transactions

Marketing revenue includes value-in-kind of \$1,172,639 (2023 - \$1,264,204) including products and contributed services, except for volunteered hours, in exchange for sponsorship rights. These transactions have been measured at the fair value of contributed products and services.

17. Commitments

The Organization has entered into a contract with the IIHF committing to event hosting fees. The contract expires during the 2031/2032 season. The Organization has entered into software licensing agreements, office equipment agreements, communication services agreements, hotel services agreements and an IT management and support services agreements, these contracts expire between June 2025 and June 2026. The Organization has entered into four rental agreements committing to incur the rental and operating costs relating to the Organization's rented premises expiring between December 2024 and October 2031. The Organization has entered into a contract with the Oilers Entertainment Group for event support services. This contract expires during the 2026/2027 season.

The expected outflow of funds relating to the above commitments for the next five years are as follows:

2025	\$	16,360,294
2026		4,406,469
2027		8,205,285
2028		7,871,952
2029		<u>2,336,952</u>
	\$	<u>39,180,952</u>

18. Financial Instrument Risks

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest rate, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

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 discharge an obligation. Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash, accounts receivable, and investments. The Organization has deposited the cash and investments with a reputable financial institution, from which management believes the risk of loss to be remote. The Organization's exposure to concentration of credit risk arising from accounts receivables are from corporate sponsors that are part of a diverse sponsorship base.



18. Financial Instrument Risks (continued)

Liquidity Risk

Liquidity risk is the risk that the Organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from bank indebtedness, accounts payable and accrued liabilities, other liabilities and provisions and commitments.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument 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 exposed to all three risks.

Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization's financial instruments that are exposed to this risk include cash, accounts receivable, portfolio investments and accounts payable and accrued liabilities. The Organization considers this risk to be acceptable and therefore does not use derivatives to hedge its foreign exchange rate risks.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of its equities and bonds within its investment portfolio and the cashflow arising from its floating rate bank indebtedness.

Other Price Risk

Other price risk is the uncertainty associated with the fair value or future cash flows of a financial instrument that fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk). The Organization is exposed to this risk through its equity holdings within its investment portfolio. Bond funds hold a diversified mix Canadian and U.S. high yield and pooled corporate bonds with an average duration of 5-10 years. Equity funds consist of a diversified portfolio of large cap Canadian, U.S. and International equities. These risks have not changed from the prior year.

19. Events subsequent to the reporting period

In August 2024, the Trustees of the Participants Legacy Trust Fund were updated to reflect certain current members of the Organization's executive team with former Trustees, no longer with the Organization, being removed.



Schedule of Sport Canada Funded Revenue and Expenses
(unaudited)

2024

Mainstream Athletes

Revenue	\$ 2,257,373
Expenses	
Core:	
Administration costs	14,258,231
Governance	936,092
Staff Salaries	6,971,486
Coaching salaries and professional development	504,000
National team programs	-
Operations and programming	4,044,136
	<u>26,713,945</u>
Non-Core:	
Official languages	348,531
Safety in Sport	36,227
Enhanced Excellence	6,411,388
Next Generation Initiative	1,026,096
	<u>7,822,242</u>
Deficiency of revenue over expenses for mainstream athletes	\$ (32,278,814)

Athletes with a Disability

Revenue	\$ 1,042,000
Expenses	
Core:	
Administration costs	165,046
Governance	-
Staff Salaries	90,000
Coaching salaries and professional development	-
National team programs	454,794
Operations and programming	86,451
	<u>796,291</u>
Non-Core:	
Official languages	9,555
Enhanced Excellence	692,993
Next Generation Initiative	421,608
	<u>1,124,156</u>
Deficiency of revenue over expenses for mainstream athletes	\$ (878,447)