

Hockey Canada  
Foundation/Fondation Hockey  
Canada  
Financial Statements  
For the year ended June 30, 2022

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## Independent Auditor's Report

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To the Board of Directors of  
Hockey Canada Foundation/Fondation Hockey Canada

### Opinion

We have audited the financial statements of Hockey Canada Foundation/Fondation Hockey Canada (the organization), which comprise the balance sheet as at June 30, 2022, and the statement of operations and fund balances 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, 2022, 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.

### 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 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Ontario  
December 21, 2022

# Hockey Canada Foundation/Fondation Hockey Canada



## Balance Sheet

June 30

2022

2021

	Operating Fund	Annual Fund	Legacy Fund	Internally Restricted Endowment Funds (Note 6)	Hockey Canada Endowment Fund	Restricted Funds	Total	Total
<b>Assets</b>								
<b>Current</b>								
Cash (Note 2)	\$ -	\$ -	\$ 946,076	\$ -	\$ 335,548	\$ 60,869	\$ 1,342,493	\$ 1,833,569
Accounts receivable (Note 3)	70,702	272,025	-	381,967	-	381,121	1,105,815	921,320
Prepaid expenses	-	-	-	-	-	-	-	41,498
Investments (Note 4)	2,873,627	948,172	1,760,033	5,985,623	13,251,201	303,145	25,121,801	25,545,497
	<b>\$ 2,944,329</b>	<b>\$ 1,220,197</b>	<b>\$ 2,706,109</b>	<b>\$ 6,367,590</b>	<b>\$13,586,749</b>	<b>\$ 745,135</b>	<b>\$ 27,570,109</b>	<b>\$ 28,341,884</b>
<b>Liabilities and Fund Balances</b>								
<b>Current</b>								
Accounts payable and accrued liabilities (Note 3)	\$ 715,983	\$ 72,369	\$ 64,935	\$ 102,843	\$ -	\$ 331,375	\$ 1,287,505	\$ 958,858
Interfund balances (Note 5)	3,334,494	17,226	(1,030,731)	(105,216)	236,912	(2,452,685)	-	-
	<b>4,050,477</b>	<b>89,595</b>	<b>(965,796)</b>	<b>(2,373)</b>	<b>236,912</b>	<b>(2,121,310)</b>	<b>1,287,505</b>	<b>958,858</b>
<b>Fund balances</b>								
Externally restricted	-	-	-	-	-	2,866,445	2,866,445	2,057,872
Internally restricted	-	-	3,671,905	-	-	-	3,671,905	4,382,208
Internally restricted for endowment purposes	-	-	-	6,369,963	-	-	6,369,963	6,391,851
Restricted for endowment purposes	-	-	-	-	13,349,837	-	13,349,837	13,587,730
Unrestricted	(1,106,148)	1,130,602	-	-	-	-	24,454	963,365
	<b>(1,106,148)</b>	<b>1,130,602</b>	<b>3,671,905</b>	<b>6,369,963</b>	<b>13,349,837</b>	<b>2,866,445</b>	<b>26,282,604</b>	<b>27,383,026</b>
	<b>\$ 2,944,329</b>	<b>\$ 1,220,197</b>	<b>\$ 2,706,109</b>	<b>\$ 6,367,590</b>	<b>\$13,586,749</b>	<b>\$ 745,135</b>	<b>\$ 27,570,109</b>	<b>\$ 28,341,884</b>

On behalf of the Board:

David Andrews  
Chair of the Board

Allan Matthews  
Treasurer

# Hockey Canada Foundation/Fondation Hockey Canada



## Statement of Operations and Fund Balances

For the year ended June 30	Unrestricted Funds				Legacy Fund		Endowment Funds				Restricted Funds		Total	
	Operating	Annual	2022	2021	2022	2021	Internally Restricted	Hockey Canada	2022	2021	2022	2021	2022	2021
<b>Revenue</b>														
Donations (Note 3 and 7)	\$ 87,237	\$ 295,644	\$ 382,881	\$ 178,043	\$ -	\$ -	\$ 379,123	\$ -	\$ 379,123	\$ 205,216	\$ 1,035,535	\$ 1,003,934	\$ 1,797,539	\$ 1,387,193
Investment income - Realized	354,552	37,840	392,392	201,836	70,240	50,725	-	542,225	542,225	300,965	10,049	5,431	1,014,906	558,957
Investment income (loss) - Unrealized	(148,498)	(48,035)	(196,533)	199,291	(89,164)	177,521	(301,011)	(688,309)	(989,320)	1,568,634	(15,357)	25,780	(1,290,374)	1,971,226
	<u>293,291</u>	<u>285,449</u>	<u>578,740</u>	<u>579,170</u>	<u>(18,924)</u>	<u>228,246</u>	<u>78,112</u>	<u>(146,084)</u>	<u>(67,972)</u>	<u>2,074,815</u>	<u>1,030,227</u>	<u>1,035,145</u>	<u>1,522,071</u>	<u>3,917,376</u>
<b>Expenditures</b>														
Grants (Note 3)	415,404	78,727	494,131	412,746	82,185	80,317	-	-	-	220,000	1,168,873	432,189	1,745,189	1,145,252
Administration	131,758	-	131,758	150,527	-	-	-	-	-	-	134,032	-	265,790	150,527
Programs	-	-	-	-	-	-	-	-	-	-	322,452	387,360	322,452	387,360
Events and promotion	11,231	-	11,231	-	-	-	-	-	-	-	4,513	5,716	15,744	5,716
Other (Note 3)	61,911	6,407	68,318	57,567	11,893	12,570	100,000	91,809	191,809	174,275	1,298	101	273,318	244,513
	<u>620,304</u>	<u>85,134</u>	<u>705,438</u>	<u>620,840</u>	<u>94,078</u>	<u>92,887</u>	<u>100,000</u>	<u>91,809</u>	<u>191,809</u>	<u>394,275</u>	<u>1,631,168</u>	<u>825,366</u>	<u>2,622,493</u>	<u>1,933,368</u>
Excess (deficiency) of revenue over expenditures	(327,013)	200,315	(126,698)	(41,670)	(113,002)	135,359	(21,888)	(237,893)	(259,781)	1,680,540	(600,941)	209,779	(1,100,422)	1,984,008
Fund balances, beginning of year	(70,427)	1,033,792	963,365	1,162,206	4,382,208	4,753,887	6,391,851	13,587,730	19,979,581	18,299,041	2,057,872	1,183,884	27,383,026	25,399,018
Interfund transfer (Note 8)	(708,708)	(103,505)	(812,213)	(157,171)	(597,301)	(507,038)	-	-	-	-	1,409,514	664,209	-	-
<b>Fund balances, end of year</b>	<b>\$ (1,106,148)</b>	<b>\$ 1,130,602</b>	<b>\$ 24,454</b>	<b>\$ 963,365</b>	<b>\$ 3,671,905</b>	<b>\$ 4,382,208</b>	<b>\$ 6,369,963</b>	<b>\$ 13,349,837</b>	<b>\$ 19,719,800</b>	<b>\$ 19,979,581</b>	<b>\$ 2,866,445</b>	<b>\$ 2,057,872</b>	<b>\$ 26,282,604</b>	<b>\$ 27,383,026</b>

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

# Hockey Canada Foundation/Fondation Hockey Canada



## Statement of Cash Flows

For the year ended June 30

2022 2021

	Operating Fund	Annual Fund	Legacy Fund	Internally Restricted Endowment Funds	Hockey Canada Endowment Fund	Restricted Funds	Total	Total
Cash flow provided by (used in)								
Operating activities								
Excess (deficiency) of revenue over expenditures	\$ (327,013)	\$ 200,315	\$ (113,002)	\$ (21,888)	\$ (237,893)	\$ (600,941)	\$ (1,100,422)	\$ 1,984,008
Items not involving cash								
Realized (gain) loss on investments	(354,552)	(37,840)	(70,240)	-	(542,225)	(10,049)	(1,014,906)	(558,957)
Unrealized (gain) loss on investments	148,498	48,035	89,164	301,011	688,309	15,357	1,290,374	(1,971,226)
	(533,067)	210,510	(94,078)	279,123	(91,809)	(595,633)	(824,954)	(546,175)
Changes in non-cash working capital balances relating to operations:								
Accounts receivable	497,171	(147,389)	23,450	(176,751)	-	(380,976)	(184,495)	(91,891)
Prepaid expenses	41,498	-	-	-	-	-	41,498	(41,498)
Interfund balances	2,114,137	(586,240)	(670,090)	(144,287)	76,910	(790,430)	-	-
Accounts payable and accrued liabilities	100,986	48,509	64,935	2,845	(220,000)	331,372	328,647	(503,293)
	2,220,725	(474,610)	(675,783)	(39,070)	(234,899)	(1,435,667)	(639,304)	(1,182,857)
Investing activities								
Net change in investments	(1,512,017)	578,115	776,365	39,070	240,543	26,152	148,228	(9,172,204)
Increase (decrease) in cash for the year	708,708	103,505	100,582	-	5,644	(1,409,515)	(491,076)	(10,355,061)
Cash, beginning of year	-	-	1,442,795	-	329,904	60,870	1,833,569	12,188,630
Interfund transfers	(708,708)	(103,505)	(597,301)	-	-	1,409,514	-	-
Cash, end of year	\$ -	\$ -	\$ 946,076	\$ -	\$ 335,548	\$ 60,869	\$ 1,342,493	\$ 1,833,569

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

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# Hockey Canada Foundation/Fondation Hockey Canada



## Notes to Financial Statements

June 30, 2022

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### 1. Summary of Significant Accounting Policies

Nature of Operations	The Canadian Hockey Foundation o/a Hockey Canada Foundation was incorporated under letters patent dated June 15, 2000 as a public foundation. The Foundation solicits and accepts donations for the purpose of providing a new source of secure, sustainable, long term funding to support the future development and delivery of Hockey Canada programs, projects, and activities.
Basis of Accounting	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations (ASNPO).
Fund Accounting	<p>The Organization follows the fund method of accounting.</p> <p>The Operating Fund accounts for the costs of supporting ongoing Foundation operations funded by contributions given for purposes related to the management of the Foundation, along with any unrestricted donations as the Board of Directors may from time to time determine.</p> <p>The Annual Fund accounts for gifts that are not designated to the endowment program. The Annual Fund will be used to fund activities for similar purposes as Foundation endowment funds.</p> <p>The Legacy Fund is an internally restricted fund that was established by the Board of Directors of the Foundation. This Fund will be used to provide solutions to the immediate challenges facing Canadian hockey.</p> <p>The Restricted Funds include externally restricted donations. Donation proceeds must be used in accordance with the external conditions requested by the donor.</p>

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# Hockey Canada Foundation/Fondation Hockey Canada



## Notes to Financial Statements

June 30, 2022

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### 1. Summary of Significant Accounting Policies (continued)

#### Fund Accounting (continued)

The Internally Restricted Endowment Funds include the initial amounts restricted for endowment purposes by the Board of Directors of the Foundation and any further contributions received. Any investment income earned from the endowment funds can be disbursed. At the time an endowment fund is created, the purpose of the Fund is established by the Board of Directors of the Foundation.

The Hockey Canada Endowment Fund was established through a donation from Hockey Canada to be held by the Foundation in perpetuity. Any investment income earned from the endowment fund can be disbursed to support the strategic priorities of Hockey Canada. On an annual basis, Hockey Canada submits an application for funding to be approved by the Foundation.

#### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

#### Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions and investment income are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund or the Annual Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.



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# Hockey Canada Foundation/Fondation Hockey Canada



## Notes to Financial Statements

June 30, 2022

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### 1. Summary of Significant Accounting Policies (continued)

#### Revenue Recognition (continued)

Contributions held for endowment are recognized as revenue in the endowment fund in the year of contribution. Investment income earned on the internally restricted endowment funds are recognized as income in the Operating Fund. Investment income earned on the externally restricted endowment funds are recognized as income in that respective fund.

#### Contributed Services

Volunteers contribute many hours per year to assist the organization in carrying out its mission. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

#### Income Taxes

The organization claims an exemption for income tax purposes as a Registered Canadian Public Foundation. Accordingly, no provision for income taxes has been made in these financial statements.

#### Use of Estimates

The preparation of financial statements in accordance with ASNPO requires 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.

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### 2. Cash

The organization's bank accounts are held at one chartered bank and earn nominal interest.

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# Hockey Canada Foundation/Fondation Hockey Canada



## Notes to Financial Statements

June 30, 2022

### 3. Related Party Transactions

The Canadian Hockey Foundation is significantly influenced by Hockey Canada by virtue of its sharing of premises and administrative support.

	2022	2021
Transactions with Hockey Canada:		
Donations received from Hockey Canada	\$ 713,133	\$ 760,157
Administrative support fees paid to Hockey Canada	\$ 100,000	\$ 100,000
Grants to Hockey Canada	\$ 630,682	\$ 271,064

The Canadian Hockey Foundation is also closely related to the Hockey Canada Foundation U.S. (CHFUS) by virtue of the significant influence of Hockey Canada over CHFUS operations.

Transactions with Canadian Hockey Foundation U.S.:

	2022	2021
Donations received from Canadian Hockey Foundation U.S.	\$ 14,677	\$ 60,500

Grants paid to Hockey Canada are will vary each year depending on timing of expenses of programs receiving grants. These transactions are measured at the exchange value (the amount of consideration established and agreed to by the related parties).

At the end of the year, amounts due to and from related parties are as follows:

	2022	2021
Hockey Canada:		
Amounts included in accounts receivable	\$ 1,061,392	\$ 809,594
Amounts included in accounts payable and accrued liabilities	\$ 1,268,045	\$ 892,940
Canadian Hockey Foundation U.S.:		
Amounts included in accounts receivable	\$ 1,181	\$ 60,500

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

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# Hockey Canada Foundation/Fondation Hockey Canada



## Notes to Financial Statements

June 30, 2022

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### 4. Investments

	<u>2022</u>	<u>2021</u>
Investments held with RBC:		
Bonds funds	\$ 1,001,168	\$ 746,188
Investments held with Scotia:		
Bonds funds	10,117,162	11,953,658
Equities	14,003,471	12,845,651
	<u>24,120,633</u>	<u>24,799,309</u>
	<u>\$25,121,801</u>	<u>\$ 25,545,497</u>

Investments held with RBC had an average rate of return of 31.1% (2021 - 13.20%). Investments held with Scotia had an average rate of return of -2.61% (2021 - 4.54%).

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### 5. Interfund Balances

The interfund balances are interest free and have no fixed terms of repayment.

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# Hockey Canada Foundation/Fondation Hockey Canada



## Notes to Financial Statements

June 30, 2022

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### 6. Internally Restricted Endowment Funds

	2022	2021
Molson Olympic Fund	\$ 649,355	\$ 682,010
Winnipeg Falcons Fund	62,742	65,897
Gordon Juckes Memorial Fund	19,640	20,628
Boston Pizza Fund	64,935	68,201
Richard Pyman Memorial Endowment Fund	23,201	24,367
Heritage Endowment Fund	5,550,090	5,530,748
	<u>6,369,963</u>	<u>6,391,851</u>

The above mentioned funds had combined unrealized investment gain/(loss) as at June 30, 2022 in the amount of \$(301,011) (2021 - \$492,474).

#### The Molson Olympic Fund

A named internally restricted Endowment Fund established by the Board of Directors of the Foundation to celebrate and commemorate Canada's gold medal victories at the 2002 Olympic Games in Salt Lake City. Established with a gift from Molson on behalf of the players of Canada's Men's Gold medal team, this special Fund serves as a permanent reminder of this historic event in Canada's hockey history. Earnings generated from Molson Olympic Fund investments are used to fund the future development of Hockey Canada grassroots programs, activities, and initiatives.

#### The Winnipeg Falcons Fund

A named internally restricted Endowment Fund established by the Board of Directors of the Foundation to recognize and celebrate the special place the Winnipeg Falcons occupy within the history of our game. The establishment of the Winnipeg Falcons Fund serves to both commemorate an important part of our hockey heritage while providing a new source of ongoing funding for today's game.

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# Hockey Canada Foundation/Fondation Hockey Canada



## Notes to Financial Statements

June 30, 2022

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### 6. Named Endowment Funds (continued)

#### The Gordon Jukes Memorial Fund

A named internally restricted Endowment Fund established by the Board of Directors of the Foundation on behalf of Hockey Canada in memory of Gordon Jukes. This special Fund is used for the development of hockey in Canada.

#### The Boston Pizza Fund

A named internally restricted Endowment Fund established by the Board of Directors of the Foundation with a gift from Boston Pizza. The purpose of the Fund is to help provide ongoing community investment in support of leading edge projects that will help shape the future of the game for Canadians in communities across Canada.

#### The Richard Pyman Memorial Endowment Fund

A named internally restricted Endowment Fund established by the Board of Directors of the Foundation on behalf of family and friends to honour and celebrate the life of Richard Pyman. The purpose of the Fund is to improve the lives of underprivileged youth by providing an opportunity and the necessary financial support to remove barriers that prevent them from playing minor hockey.

#### Heritage Endowment Fund

An internally restricted Endowment Fund established by the Board of Directors of the Foundation. The purpose of the Fund is to provide the flexibility to respond to the most pressing needs facing Canadian hockey.

#### Investment Income

Investment income (loss) earned and grants paid from the internally restricted Endowment funds are recognized in the Operating Fund. Included in the grants disbursed from the operating fund are grants of \$38,443 (2021 - \$31,734) and \$242,218 (2021 - \$201,385) which were funded by the internally restricted named endowment funds and the Heritage endowment fund, respectively.

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# Hockey Canada Foundation/Fondation Hockey Canada



## Notes to Financial Statements

June 30, 2022

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### 7. Additional Information to Comply with the Disclosure Requirement of the Charitable Fundraising Act and Regulation (Alberta)

Gross contributions received totaled \$1,597,538 (2021 - \$1,387,193).

Expenses incurred for the purposes of soliciting contributions totaled \$11,282 (2021 - \$5,716).

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### 8. Interfund Transfers

During the year, the Board of Directors authorized a transfer to the Restricted fund of \$550,000 and \$418,334 to support the programs in the Restricted fund and to cover operational costs in the Restricted Fund. Those transfers aggregated to \$423,500 from the Operating Fund, \$44,938 from the Annual Fund and \$499,896 from the Legacy Fund.

The Board of Directors also authorized a transfer to the Restricted fund of \$441,180 for unused grant funds from the prior year. The transfer aggregated to \$285,208 from the Operating Fund, \$58,567 from the Annual Fund and \$97,405 from the Legacy Fund.

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### 9. Commitment

The organization has entered into an agreement to provide a grant of \$25,000 per year to support intern programs of Hockey Canada, the Western Hockey League, the Ontario Hockey League and the Quebec Major Junior Hockey League. The agreement ends in September 2022.

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### 10. Financial Instrument Risks

#### 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 reputable financial institutions, from which management believes the risk of loss to be remote.

#### 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 accounts payable and accrued liabilities.



Notes to Financial Statements

June 30, 2022

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10. Financial Instrument Risks (continued)

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include two types of risk: interest rate risk and other price risk.

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 market interest rates will affect the value of its equities and bonds.

Other Price Risk

Other price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The organization is exposed to this risk through its equity holdings within its investment portfolio. Bond funds hold a diversified mix of Canadian government bonds, and 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.

The above risks are unchanged from the prior year.

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