

**Hockey Helps the Homeless /
Hockey Aide Les Sans-Abri
Financial Statements
For the year ended June 30, 2017**

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Independent Auditor's Report

To the Members of Hockey Helps the Homeless / Hockey Aide Les Sans-Abri

We have audited the accompanying financial statements of Hockey Helps the Homeless / Hockey Aide Les Sans-Abri, which comprise the statement of financial position as at June 30, 2017 and the statements of changes in net assets, operations and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the entity derives revenue from donations and cash receipts, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the entity. Therefore, we were not able to determine whether any adjustments might be necessary to revenues other than tournament revenue and excess of revenue over expenses for the years ended June 30, 2017 and 2016, assets as at June 30, 2017 and 2016, and net assets as at July 1 and June 30, 2017 and 2016. Our audit opinion on the financial statements for the year ended June 30, 2016 was also modified accordingly because of the possible effects of this limitation in scope.



Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Hockey Helps the Homeless / Hockey Aide Les Sans-Abri as at June 30, 2017 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

November 7, 2017
Toronto, Ontario

Hockey Helps the Homeless / Hockey Aide Les Sans-Abri Statement of Financial Position

June 30	2017	2016
Assets		
Current		
Cash	\$ 915,683	\$ 78,664
Commodity taxes recoverable	40,105	79,005
Accounts receivable	17,048	6,325
Prepaid expenses	16,039	10,717
	988,875	174,711
Capital assets (Note 3)	16,546	21,610
	\$ 1,005,421	\$ 196,321
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 17,436	\$ 29,274
Deferred revenue	55,575	21,085
Deferred lease inducement	10,630	18,964
	83,641	69,323
Net assets		
Invested in capital assets (Note 3)	16,546	21,610
Internally restricted (Note 4)	822,463	144,607
Unrestricted	82,771	(39,219)
	921,780	126,998
	\$ 1,005,421	\$ 196,321

Approved on behalf of the Board:

_____ Director _____ Director

Hockey Helps the Homeless / Hockey Aide Les Sans-Abri Statement of Changes in Net Assets

For the year ended June 30	2017			
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total
Balance, beginning of year	\$ 21,610	\$ 144,607	\$ (39,219)	\$ 126,998
Excess (deficiency) of revenue over expenditures for the year (Note 4)	(8,365)	(144,607)	947,754	794,782
Capital asset additions	3,301	-	(3,301)	-
Transfer to internally restricted net assets (Note 4)	-	822,463	(822,463)	-
Balance, end of year	\$ 16,546	\$ 822,463	\$ 82,771	\$ 921,780

For the year ended June 30	2016			
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total
Balance, beginning of year	\$ 150	\$ -	\$ 324,660	\$ 324,810
Deficiency of revenue over expenditures for the year	(7,818)	-	(189,994)	(197,812)
Capital asset additions	29,278	-	(29,278)	-
Transfer to internally restricted net assets (Note 4)	-	144,607	(144,607)	-
Balance, end of year	\$ 21,610	\$ 144,607	\$ (39,219)	\$ 126,998

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

Hockey Helps the Homeless / Hockey Aide Les Sans-Abri Statement of Operations

For the year ended June 30	2017	2016
Revenue		
Tournament revenue	\$ 3,124,155	\$ 3,138,986
Tournament expenses	<u>(1,011,600)</u>	<u>(1,097,956)</u>
Net tournament income	2,112,555	2,041,030
Sponsorship revenue	<u>392,415</u>	<u>339,586</u>
Net revenue	<u>2,504,970</u>	<u>2,380,616</u>
Operating expenses		
Advertising and promotion	18,290	39,530
Office and general	153,455	149,393
Professional fees	11,768	11,268
Salaries and benefits	<u>399,466</u>	<u>463,344</u>
	<u>582,979</u>	<u>663,535</u>
Surplus before donations	1,921,991	1,717,081
Supplies and funding donated for the homeless		
- from unrestricted funds	(982,602)	(1,914,893)
- from internally restricted funds	<u>(144,607)</u>	<u>-</u>
Excess (deficiency) of revenue over expenses for the year	<u>\$ 794,782</u>	<u>\$ (197,812)</u>

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

Hockey Helps the Homeless / Hockey Aide Les Sans-Abri Statement of Cash Flows

For the year ended June 30	2017	2016
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ 794,782	\$ (197,812)
Adjustments to reconcile excess (deficiency) of revenue over expenditures to net cash provided by operating activities:		
Amortization	8,365	7,818
Deferred lease inducement	(8,334)	18,964
Changes in non-cash working capital balances		
Commodity taxes recoverable	38,900	(5,813)
Accounts receivable	(10,723)	12,895
Prepaid expenses	(5,322)	38,344
Accounts payable and accrued liabilities	(11,838)	7,276
Deferred revenue	34,490	10,920
	840,320	(107,408)
Cash flows from investing activities		
Purchase of capital assets	(3,301)	(29,278)
Increase (decrease) in cash during the year	837,019	(136,686)
Cash, beginning of year	78,664	215,350
Cash, end of year	\$ 915,683	\$ 78,664

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

Hockey Helps the Homeless / Hockey Aide Les Sans-Abri

Notes to Financial Statements

June 30, 2017

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Organization Hockey Helps the Homeless/Hockey Aide Les Sans-Abri (the "Organization") was incorporated under Part II of the Canada Corporation Act by Letters Patent dated October 2, 1999, as a corporation without share capital. The Organization is registered as a charitable organization, and as such the Organization is able to issue donation receipts and is exempt from corporate income tax under paragraph 149(1)(f) of the Income Tax Act, Canada.

The Organization raises funds and awareness and supports homeless-solutions organizations directly in the communities where funds are raised.

Basis of Accounting The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Revenue Recognition The Organization follows the deferral method of accounting for contributions. Under the deferral method, restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

Tournament revenue consists of corporate sponsorships, silent auction proceeds, tournament receipts and donations.

Corporate sponsorships, silent auction proceeds and tournament receipts are recognized as revenue once the event occurs, where the amounts are fixed and determinable and collectibility is reasonably assured. Donations are recognized when received.

Use of Estimates The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 revenue and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Capital Assets Capital assets are stated at cost less accumulated amortization. A provision is made for amortization using the straight-line method over the estimated useful life of the respective assets as follows:

Computer equipment	3 years
Leasehold improvements	3 1/2 years

Hockey Helps the Homeless / Hockey Aide Les Sans-Abri Notes to Financial Statements

June 30, 2017

1. Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Donated Services The Organization's activities include time donated by a number of volunteers. Since no objective basis exists for recording and assigning values to these services, they are not reflected in the accompanying financial statements.

2. Commitments

The Organization has annual operating lease commitments for equipment and office space of:

	2018	\$	26,354
	2019		<u>6,589</u>
		\$	<u>32,943</u>

3. Capital Assets

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 7,078	\$ 3,777	\$ 3,777	\$ 3,777
Leasehold improvements	29,278	16,033	29,278	7,668
	<u>36,356</u>	<u>19,810</u>	33,055	11,445
Net book value		<u>\$ 16,546</u>		\$ 21,610

4. Internally Restricted Net Assets

Internally restricted net assets represent amounts that have been restricted by the Board of Directors of the Organization in order to fund donations to the homeless. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

During the year, \$144,607 of prior year internally restricted funds designated as donations for the homeless were paid out. The Organization has internally designated \$822,463 for donations for the homeless as at 30 June 2017.

5. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's method of presentation.