

**Hockey Helps the Homeless / Hockey  
Aide Les Sans-Abri  
Financial Statements  
For the year ended June 30, 2020**

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Hockey Aide Les Sans-Abri  
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## Independent Auditor's Report

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

### Qualified Opinion

We have audited the financial statements of Hockey Helps the Homeless / Hockey Aide Les Sans-Abri (the "Organization"), which comprise the statement of financial position as at June 30, 2020, and the statements of changes in net assets, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2020, 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 Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations and cash receipts, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenues other than tournament revenue, excess of revenue over expenses, and cash flows from operations for the years ended June 30, 2020 and 2019, current assets as at June 30, 2020 and 2019, and net assets as at July 1 and June 30 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended June 30, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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 qualified audit 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

Toronto, Ontario  
September 24, 2020

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

June 30	2020	2019
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 1,366,241	\$ 1,639,424
Commodity taxes recoverable	68,540	88,660
Accounts receivable	36,154	10,100
Prepaid expenses	172,183	106,276
	1,643,118	1,844,460
<b>Capital assets (Note 3)</b>	47,951	60,087
	\$ 1,691,069	\$ 1,904,547
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 98,414	\$ 70,591
Deferred revenue	608,649	157,091
	707,063	227,682
<b>Net assets</b>		
Invested in capital assets (Note 3)	47,951	60,087
Internally restricted (Note 4)	731,323	1,333,811
Unrestricted	204,732	282,967
	984,006	1,676,865
	\$ 1,691,069	\$ 1,904,547

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** **2020**

	Invested in Capital Assets	Internally Restricted	Unrestricted	Total
<b>Balance, beginning of year</b>	<b>\$ 60,087</b>	<b>\$ 1,333,811</b>	<b>\$ 282,967</b>	<b>\$ 1,676,865</b>
<b>Excess (deficiency) of revenue over expenditures for the year (Note 4)</b>	<b>(23,819)</b>	<b>(1,309,325)</b>	<b>640,285</b>	<b>(692,859)</b>
<b>Capital asset additions</b>	<b>11,683</b>	<b>-</b>	<b>(11,683)</b>	<b>-</b>
<b>Transfer to internally restricted net assets (Note 4)</b>	<b>-</b>	<b>706,837</b>	<b>(706,837)</b>	<b>-</b>
<b>Balance, end of year</b>	<b>\$ 47,951</b>	<b>\$ 731,323</b>	<b>\$ 204,732</b>	<b>\$ 984,006</b>

**For the year ended June 30** **2019**

	Invested in Capital Assets	Internally Restricted	Unrestricted	Total
<b>Balance, beginning of year</b>	<b>\$ 60,718</b>	<b>\$ 1,308,072</b>	<b>\$ 168,316</b>	<b>\$ 1,537,106</b>
<b>Excess (deficiency) of revenue over expenditures for the year (Note 4)</b>	<b>(24,313)</b>	<b>(1,272,732)</b>	<b>1,436,804</b>	<b>139,759</b>
<b>Capital asset additions</b>	<b>23,682</b>	<b>-</b>	<b>(23,682)</b>	<b>-</b>
<b>Transfer to internally restricted net assets (Note 4)</b>	<b>-</b>	<b>1,298,471</b>	<b>(1,298,471)</b>	<b>-</b>
<b>Balance, end of year</b>	<b>\$ 60,087</b>	<b>\$ 1,333,811</b>	<b>\$ 282,967</b>	<b>\$ 1,676,865</b>

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

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

<b>For the year ended June 30</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
Tournament revenue (Note 5)	\$ 3,758,948	\$ 4,576,353
Tournament expenses (Note 5)	<u>(1,107,531)</u>	<u>(1,506,700)</u>
Net tournament income	2,651,417	3,069,653
Sponsorship revenue	<u>230,000</u>	<u>430,000</u>
<b>Net revenue</b>	<u><b>2,881,417</b></u>	<u><b>3,499,653</b></u>
<b>Operating expenses</b>		
Advertising and promotion	19,620	24,981
Office and general	199,441	194,845
Professional fees	12,639	11,569
Salaries and benefits	<u>486,468</u>	<u>497,906</u>
	<u><b>718,168</b></u>	<u><b>729,301</b></u>
<b>Surplus before donations</b>	<b>2,163,249</b>	<b>2,770,352</b>
<b>Supplies and funding donated for the homeless</b>		
- from unrestricted funds	(1,546,783)	(1,357,861)
- from internally restricted funds	<u>(1,309,325)</u>	<u>(1,272,732)</u>
<b>(Deficiency) excess of revenue over expenses for the year</b>	<u><b>\$ (692,859)</b></u>	<u><b>\$ 139,759</b></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

<b>For the year ended June 30</b>	<b>2020</b>	<b>2019</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
(Deficiency) excess of revenue over expenses for the year	\$ (692,859)	\$ 139,759
Adjustments to reconcile (deficiency) excess of revenue over expenditures to net cash provided by operating activities:		
Amortization	23,819	24,313
Deferred lease inducement	-	(2,126)
Changes in non-cash working capital balances		
Commodity taxes recoverable	20,120	(18,770)
Accounts receivable	(26,054)	189,900
Prepaid expenses	(65,907)	(60,564)
Accounts payable and accrued liabilities	27,823	29,644
Deferred revenue	451,558	76,524
	<b>(261,500)</b>	<b>378,680</b>
<b>Cash flows from investing activities</b>		
Purchase of capital assets	<b>(11,683)</b>	<b>(23,682)</b>
<b>(Decrease) increase in cash during the year</b>	<b>(273,183)</b>	<b>354,998</b>
<b>Cash, beginning of year</b>	<b>1,639,424</b>	<b>1,284,426</b>
<b>Cash, end of year</b>	<b>\$ 1,366,241</b>	<b>\$ 1,639,424</b>

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

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# Hockey Helps the Homeless / Hockey Aide Les Sans-Abri

## Notes to Financial Statements

June 30, 2020

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### 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 grant revenue, corporate sponsorships, silent auction proceeds, tournament receipts and donations.

Grant revenue is recognized as the expenses are incurred. 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
Web Design & Development	4 years

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

**June 30, 2020**

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**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.

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**2. Commitments**

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

2021		\$	6,251
		<u>\$</u>	<u>6,251</u>

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**3. Capital Assets**

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 39,910	\$ 22,820	\$ 28,227	\$ 14,381
Leasehold improvements	29,278	29,278	29,278	29,278
Web Design & Development	61,519	30,658	61,519	15,278
	<u>130,707</u>	<u>82,756</u>	119,024	58,937
Net book value		<u>\$ 47,951</u>		<u>\$ 60,087</u>

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**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, \$1,309,325 (2019 - \$1,272,732) of prior year internally restricted funds designated as donations for the homeless were paid out. The Organization has internally designated \$706,837 (2019 - \$1,298,471) for donations for the homeless during the year ended June 30, 2020.

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

**June 30, 2020**

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### 5. Rec on Wheels Initiative

On June 14, 2018, the Organization signed a grant contract with the Ontario Trillium Foundation for grant revenue of \$75,000 over 12 months to pilot the Rec on Wheels initiative, a mobile recreational program for underprivileged youth between 12-25 years old.

On January 31, 2020, the Organization received a grant from the P&L Odette Charitable Foundation in the amount of \$159,500 in relation to the Rec on Wheels initiative.

As at June 30, 2020, the total revenue recognized and expenses incurred to date in relation to the Rec on Wheels initiative are:

	<u>2020</u>	<u>2019</u>
Tournament revenue	\$ 76,712	\$ 20,388
Tournament expenses	(76,712)	(20,388)
Net tournament income	<u>\$ -</u>	<u>\$ -</u>

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### 6. COVID-19

The impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the Organization, its funders and donors. Management is actively monitoring the affect on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time. Nevertheless, the Organization plans to host its tournaments virtually during these unprecedented times.

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### 7. Subsequent Events

On August 28, 2020, the Organization and the Canada Life Assurance Company ("the Donor") signed a three year agreement which affirmed the Donor's commitment to supporting the Organization's endeavours to end homelessness in Canada through fundraising, education and partnering with solutions-based outreach organizations.