

Management's Comments on Unaudited Condensed Annual Financial Statements

The condensed annual financial statements of Hockey Education Reaching Out Society for the year ended August 31, 2016 have been prepared by management and approved by the Board of Directors of the Society.

The Society discloses that its auditors have not audited or reviewed the condensed annual financial statements and as such are marked "Unaudited".

A complete set of the Society's audited financial statements for the year ended August 31, 2016 can be obtained by contacting the Society's office.

HOCKEY EDUCATION REACHING OUT SOCIETY

(Unaudited - See Management Comments)

Condensed Statement of Financial Position

As At

	August 31 2016	August 31 2015
Assets		
Current		
Cash and restricted cash	\$ 480,069	\$ 508,361
Other current assets	5,904	14,359
	<u>485,973</u>	<u>522,720</u>
Capital Assets, net	<u>40,571</u>	<u>58,372</u>
	<u>\$ 526,544</u>	<u>\$ 581,092</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 15,949	\$ 6,000
Deferred contributions and sponsorships	272,000	300,000
Payroll liabilities	4,398	5,983
	<u>292,347</u>	<u>311,983</u>
Deferred contributions	-	17,500
Net Assets	<u>234,197</u>	<u>251,609</u>
	<u>\$ 526,544</u>	<u>\$ 581,092</u>

Certain prior period amounts have been reclassified to conform to current period presentation.

HOCKEY EDUCATION REACHING OUT SOCIETY

(Unaudited - See Management Comments)

Condensed Statement of Operations For The Year Ended

	August 31 2016	August 31 2015
Revenues		
Donations	\$ 310,272	\$ 223,015
Sponsorships	240,000	375,000
Other income	11,321	24,647
	<u>561,593</u>	<u>622,662</u>
Expenditures		
Amortization	17,801	21,727
Program operations	515,292	537,655
Management and administration	27,316	24,292
Professional fees	18,589	19,546
	<u>578,998</u>	<u>603,220</u>
Excess (deficiency) of Revenues Over Expenditures	<u>(17,405)</u>	<u>19,442</u>

Certain prior period amounts have been reclassified to conform to current period presentation.

HOCKEY EDUCATION REACHING OUT SOCIETY

(Unaudited - See Management Comments)

Condensed Statement Of Cash Flows For The Year Ended

	August 31 2016	August 31 2015
Cash flows from operating activities		
Excess (Deficiency) of Revenues over Expenditures	\$ (17,405)	\$ 19,442
Items not affecting cash	17,801	27,975
Changes in non-cash working capital	(28,688)	133,250
	<u>(28,292)</u>	<u>180,667</u>
Cash flows from investing activities		
Additions to capital assets	<u>-</u>	<u>(18,570)</u>
Increase (decrease) in cash	(28,292)	162,097
Cash and cash equivalents, beginning of period	<u>508,361</u>	<u>346,264</u>
Cash and cash equivalents, end of period	\$ 480,069	\$ 508,361