

Financial statements of

URBAN SQUASH, TORONTO

August 31, 2016

URBAN SQUASH, TORONTO

August 31, 2016

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Independent Auditor's Report

To the Directors of
URBAN SQUASH, TORONTO

We have audited the accompanying financial statements of URBAN SQUASH, TORONTO, which comprise the statement of financial position as at August 31, 2016, and the statements of revenue, expenses and changes in net assets 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. 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 of Qualified Opinion

In common with many charitable organizations, URBAN SQUASH, TORONTO derives part of its revenue from donations, 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 URBAN SQUASH, TORONTO and we were not able to determine whether any adjustments might be necessary to donations revenue, excess of expenses over revenue and cash flows from operations for the year ended August 31, 2016, and current assets and net assets as at August 31, 2016.

Qualified Opinion

In our opinion, except for the matter described in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of URBAN SQUASH, TORONTO as at August 31, 2016, 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.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants
Licensed Public Accountants
November 29, 2016

URBAN SQUASH, TORONTO

Statement of revenue, expenses and changes in net assets year ended August 31, 2016

	2016	2015
		(Note 2)
	\$	\$
Revenue		
Donations		
Board (Note 4)	70,000	52,000
Individual and corporate pledges	25,500	26,000
Individual donations	60,102	79,359
Foundations and grants	118,877	142,199
Events	90,251	49,110
	364,730	348,668
Other	554	599
	365,284	349,267
Expenses		
Executive, academic, program and squash directors' salaries	185,161	183,515
Program expenses		
Events/tournaments (Note 2)	88,036	41,770
Squash court and classroom rental	36,717	36,520
Snacks	20,630	17,293
Squash clothing and equipment	7,573	7,487
Academic material	1,325	1,987
Bus transportation	43,179	34,888
General office supplies, printing and telephone	15,190	9,314
Bank, credit card and online donation fees	9,213	7,623
Accounting and legal fees	8,951	8,799
Insurance	2,917	8,709
Training	2,575	1,617
Travel	2,374	7,233
Advertising and website	448	3,131
	424,289	369,886
Excess of expenses over revenue	(59,005)	(20,619)
Net assets, beginning of year	210,140	230,759
Net assets, end of year	151,135	210,140

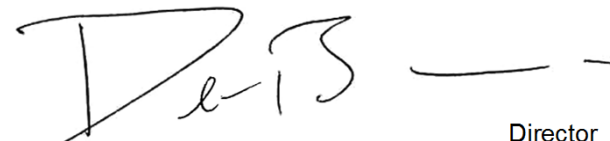
The accompanying notes to the financial statements are an integral part of this financial statement.

URBAN SQUASH, TORONTO

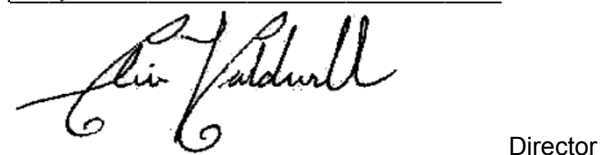
Statement of financial position as at August 31, 2016

	2016	2015
		(Note 2)
	\$	\$
Assets		
Cash	44,560	98,408
Guaranteed investment certificates	111,544	110,990
Accounts receivable (Note 4)	4,346	30,000
Harmonized sales tax receivable	8,717	8,234
Prepaid expenses	3,686	12,669
	172,853	260,301
Liabilities		
Accounts payable and accrued liabilities (Note 2)	16,624	39,948
Deferred revenue	5,094	10,213
	21,718	50,161
Net assets	151,135	210,140
	172,853	260,301

Approved by the Board



Director



Director

The accompanying notes to the financial statements are an integral part of this financial statement.

URBAN SQUASH, TORONTO

Statement of cash flows year ended August 31, 2016

	2016	2015
		(Note 2)
	\$	\$
Operating activities		
Excess of expenses over revenue	(59,005)	(20,619)
Net changes in non-cash working capital balances related to operations		
Accounts receivable	25,654	(30,000)
Harmonized sales tax receivable	(483)	15,975
Prepaid expenses	8,983	(12,669)
Accounts payable and accrued charges	(23,324)	24,838
Deferred revenue	(5,119)	6,408
	(53,294)	(16,067)
Investing activities		
Proceeds from guaranteed investment certificates	110,990	110,391
Purchase of guaranteed investment certificates	(111,544)	(110,990)
	(554)	(599)
Net change in cash	(53,848)	(16,666)
Cash, beginning of year	98,408	115,074
Cash, end of year	44,560	98,408

The accompanying notes to the financial statements are an integral part of this financial statement.

URBAN SQUASH, TORONTO

Notes to the financial statements

August 31, 2016

1. Description of the organization

URBAN SQUASH, TORONTO (the "Organization" or "UST") was established on June 1, 2010 as Tdot Squash. The Organization changed its name to URBAN SQUASH, TORONTO on June 15, 2011.

The primary objectives of UST are to relieve poverty and advance education. UST assists underprivileged youth in the Toronto area by providing them with access to semi-private tutoring, positive role models and mentors, and sports activity (specifically squash instruction) to enhance their academic experience. UST is a firm believer that physical activity enhances brain performance and promotes teamwork and strategy which are central both to sports and many academic areas.

UST is a registered charity under the Income Tax Act (Canada) and is therefore exempt from income tax.

2. Prior period adjustment

The Organization incurred an expense related to the prior year which was not invoiced and recognized until the current year. The corresponding figures have been restated to reflect an increase to accounts payable and accrued liabilities and events/tournaments expenses of \$18,815.

3. Accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations published by the Canadian Professional Accountants of Canada ("CPA Canada") using the deferral method of reporting contributions, and reflect the accounting policies set out below:

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured as follows:

<u>Asset/liability</u>	<u>Measurement</u>
Cash	Fair value
Guaranteed investment certificates	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial assets measured at cost or amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists the asset is written down and the resulting impairment loss is recognized in the statement of revenue, expenses and changes in net assets for the period.

Capital assets

The Organization expenses their capital assets on acquisition.

Revenue recognition

Income from donations and fund raising activities are recorded when collection is reasonably assured. UST follows the deferral method of accounting for contributions. Contributions which are externally restricted are treated as deferred contributions and are recognized as revenue in the year in which the related expenses are incurred.

Leasehold improvements

Leasehold improvements have been undertaken in a prior year in premises for which UST has not entered into a formal lease agreement and is therefore operating on a month to month lease. As a result these leasehold improvements were expensed as classroom renovations.

URBAN SQUASH, TORONTO

Notes to the financial statements

August 31, 2016

3. Accounting policies (continued)

Donated services and equipment

The Organization does not record donated services. Donated equipment is recorded at its estimated fair market value at the date of receipt.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the statement of revenue, expenses and net assets in the period in which they become known.

4. Related party transactions

Included in board donations is \$50,000 (2015 - \$25,000) from a corporation controlled by individuals that have significant influence over the Organization. Included in accounts receivable are \$Nil (2015 - \$25,000) of board donations from this corporation.

5. Financial instruments

Fair value

All financial assets and liabilities measured at amortized cost are stated at amounts that approximate their fair value.

Liquidity risk

The Organization's objective is to have sufficient liquidity to meet its liabilities when due. The Organization monitors its cash flows generated from operations to meet its requirements. As at August 31, 2016, the most significant liabilities are accounts payable and accrued liabilities.