

Financial statements of

URBAN SQUASH, TORONTO

August 31, 2017

URBAN SQUASH, TORONTO

August 31, 2017

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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, 2017, and the statements of revenue, expenses and changes in net assets and of 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 controls. 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 years ended August 31, 2017 and August 31, 2016, current assets as at August 31, 2017 and August 31, 2016 and net assets as at September 1, 2015, August 31, 2016 and August 31, 2017. Our audit opinion on the financial statements for the year ended August 31, 2016 was qualified accordingly because of the possible effects of this limitation in scope.

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, 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.

The image shows 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 20, 2017

URBAN SQUASH, TORONTO

Statement of revenue, expenses and changes in net assets year ended August 31, 2017

	2017	2016
	\$	\$
Revenue		
Donations		
Board (Note 3)	108,800	70,000
Events	104,988	90,251
Individual donations	52,224	60,102
Foundations and grants	19,630	118,877
Individual and corporate pledges	15,000	25,500
	300,642	364,730
Other	1,757	554
	302,399	365,284
Expenses		
Executive, academic, program and squash directors' salaries	161,999	185,161
Program expenses		
Squash court and classroom rental	48,852	36,717
Events/tournaments	34,987	88,036
Snacks	18,893	20,630
Squash clothing and equipment	10,201	7,573
Academic material	1,429	1,325
Bus transportation	44,215	43,179
Accounting and legal fees	15,875	8,951
Travel	6,901	2,374
Insurance	6,611	2,917
Bank, credit card and online donation fees	6,410	9,213
General office supplies, printing and telephone	6,321	15,190
Training	-	2,575
Advertising and website	-	448
	362,694	424,289
Excess of expenses over revenue	(60,295)	(59,005)
Net assets, beginning of year	151,135	210,140
Net assets, end of year	90,840	151,135

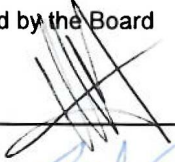
The accompanying notes to the financial statements are an integral part of this financial statement.

URBAN SQUASH, TORONTO

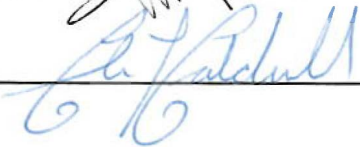
Statement of financial position as at August 31, 2017

	2017	2016
	\$	\$
Assets		
Cash	6,942	44,560
Guaranteed investment certificates	105,728	111,544
Accounts receivable	15,000	4,346
Harmonized sales tax receivable	8,184	8,717
Prepaid expenses	3,690	3,686
	139,544	172,853
Liabilities		
Accounts payable and accrued liabilities	15,157	16,624
Deferred revenue	33,547	5,094
	48,704	21,718
Net assets	90,840	151,135
	139,544	172,853

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, 2017

	2017	2016
	\$	\$
Operating activities		
Excess of expenses over revenue	(60,295)	(59,005)
Net changes in non-cash working capital balances related to operations		
Accounts receivable	(10,654)	25,654
Harmonized sales tax receivable	533	(483)
Prepaid expenses	(4)	8,983
Accounts payable and accrued charges	(1,467)	(23,324)
Deferred revenue	28,453	(5,119)
	(43,434)	(53,294)
Investing activities		
Proceeds from guaranteed investment certificates	112,573	110,990
Purchase of guaranteed investment certificates	(106,757)	(111,544)
	5,816	(554)
Net change in cash	(37,618)	(53,848)
Cash, beginning of year	44,560	98,408
Cash, end of year	6,942	44,560

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, 2017

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. 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
<u>Accounts payable and accrued liabilities</u>	<u>Amortized cost</u>

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 its 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.

URBAN SQUASH, TORONTO

Notes to the financial statements

August 31, 2017

2. 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.

3. Related party transactions

Included in board donations is \$50,000 (2016 - \$50,000) from a corporation controlled by an individual who has significant influence over the Organization.

4. 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, 2017, the most significant liabilities are accounts payable and accrued liabilities.

5. Commitments

The Organization has entered into an operating lease agreement for its premises. The minimum annual lease payments are as follows:

	\$
2018	60,000
2019	50,000
	<u>110,000</u>