

Registered Canadian Amateur Athletic Association Information Return

Identification

Name of association U SPORTS	
Address 46 VOGELL ROAD, SUITE 701	
City RICHMOND HILL	
Province or territory Ontario	Postal code L4B3P6

Return for fiscal period ending							
2	0	1	8	0	3	3	1
				Year	Month	Day	
Is this the first return filed by this association?							
Yes <input type="checkbox"/>				No <input checked="" type="checkbox"/>			
If "no," has the fiscal period changed from the last return filed?							
Yes <input type="checkbox"/>				No <input checked="" type="checkbox"/>			
Is this the final return to be filed by this association?							
Yes <input type="checkbox"/>				No <input checked="" type="checkbox"/>			
If "yes," please attach an explanation.							
File number							
BN/Registration number 132008802 RR 0001							

Is the address above the same mailing address as last year?

If no, Is the address above the new mailing address?

Yes No

Yes No

Instructions

Complete the identification area.

Complete the boxes (above right) to indicate the end of the association's fiscal period.

Attach FINANCIAL STATEMENTS for the fiscal period covered by this return. These should include a statement of revenue and expenditures for the fiscal period and a statement of assets and liabilities as of the end of the fiscal period. The statements should indicate the different sources of revenue in sufficient detail to show how funds were spent or invested.

Attach a list of the names, addresses, and occupations or lines of business of the association's current directors.

Attach a list of the names and the official positions of the people who are authorized to issue official receipts for the association.

Attach a note that fully explains what replacement procedure is followed in the event of lost or spoiled receipts.

Within six months from the end of the fiscal period of the association, mail or deliver a completed return and all required documents to:

Charities Directorate
Canada Revenue Agency
Ottawa ON K1A 0L5

Charities Directorate
Direction des Organismes des Bienfaisance

RECEIVED - REÇU

6000003863045

Form authorized by the Minister of National Revenue.

Information required

1. Have any changes not previously reported been made to the association's governing documents? If yes, please attach a certified copy of the changes. Yes No

2. Have complete books and records been kept (including duplicate copies of receipts) which fully substantiate all financial transactions during the fiscal period? If no, please attach an explanation. Yes No

3. Please indicate the total amount for which the association issued official donation receipts in this fiscal period. \$ 62,600

4. Are the receipt forms used to acknowledge payments that are NOT gifts clearly distinguishable from official donation receipts which bear the BN/registration number? If no, please attach an explanation. Yes No

5. Did the association issue official donation receipts showing a date in the previous calendar year for donations that were mailed or otherwise submitted after the end of the calendar year? If yes, please attach an explanation. Yes No

6. Have official donation receipts been issued to acknowledge donations in a form other than cash or cheque - e.g., goods, services rendered, etc.? If yes, please attach a list of these gifts and their value as shown on the official donation receipt. Yes No

7. Has any amount donated to the association been returned to the donor during the year? If yes, please attach an explanation. Yes No

8 a. During the fiscal period, did the association accept any gifts with the express or implied condition that such gifts were to be used for the benefit of another person, club, society or association? If yes, please attach an explanation. Yes No

b. Did the association issue an official donation receipt to acknowledge such a gift? Yes No

Certification

To be signed by two directors of the association.

1. I, GRAHAM BROWN
Name of director whose signature appears below.

of 

2. I, PIERRE ZUNDEL
Name of director whose signature appears below.

of  Address

HEREBY CERTIFY that the information given in this return and in all attachments is, to the best of my knowledge, correct, complete and current. (Note: It is a serious offence under the Income Tax Act to provide false or deceptive information.)

1. Signature of director		Position with the association C.G.O.
Home telephone number	Business telephone number	Date
		
2. Signature of director		Position with the association FINANCE COMMITTEE - CHAIR
Home telephone number	Business telephone number	Date
		

U SPORTS**Period ending March 31, 2018**

4.	Name	Address	Position	Occupation
	Beth All		Director	
	Michael Goldbloom		Director	
	Manon Simard		Secretary	
	Annette Trimbee		Chair	
	Pierre Zundel		Treasurer	
	Kent MacDonald		Director	
	Pierre Arsenault		Director	
	Matt Shearer		Director	
	Clint Hamilton		Director	
	Graham Brown		CEO	

5. List of individuals authorized to issue official receipts

Name	Position
	Finance Manager

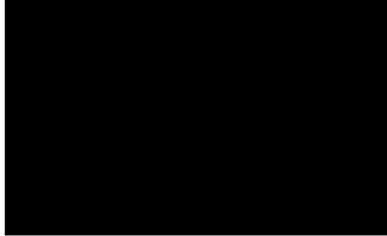
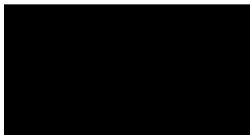
6. The finance department makes a copy of each receipt (both hard & soft copy) and saves the hardcopy in a binder and the softcopy on the network drive - each is saved by year. If a replacement receipt is requested or needed, we can make a copy of the saved receipt and re-send to the person/organization. The receipt would be have written on it "COPY".

Financial Statements of

U SPORTS

Year ended March 31, 2018

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INDEPENDENT AUDITORS' REPORT

To the Members of U SPORTS

We have audited the accompanying financial statements of U SPORTS, which comprise the statement of financial position as at March 31, 2018, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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.

Auditors' 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 our 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, we consider 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of U SPORTS as at March 31, 2018, and its results of operations, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants, Licensed Public Accountants
Kanata, Canada



U SPORTS
Statement of Financial Position

March 31, 2018, with comparative information for 2017

	2018	2017
Assets		
Current assets:		
Cash	\$ 98,106	\$ 148,298
Accounts receivable	450,276	640,572
Investments	50,000	50,000
Prepaid expenses and advances	208,515	94,998
Inventories	25,000	-
	831,897	933,868
Tangible capital assets (note 2)	751,649	783,854
	<hr/> \$ 1,583,546	<hr/> \$ 1,717,722
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 3)	\$ 1,140,254	\$ 933,664
Deferred revenue	63,375	96,762
Coaches Excellence Fund	242,957	248,200
	1,446,586	1,278,626
Leasehold Inducement	200,000	237,430
Net assets (note 5):		
Internally restricted for [REDACTED] student - athlete fund	50,000	50,000
Internally restricted for reserve purposes	-	178,108
Invested in tangible capital and intangible assets	514,219	548,424
Unrestricted	(627,259)	(570,866)
	(63,040)	201,666
Commitments (note 6)		
	<hr/> \$ 1,583,546	<hr/> \$ 1,717,722

See accompanying notes to financial statements.

On behalf of the Board:

[REDACTED] Director

[REDACTED] Director

U SPORTS
Statement of Operations

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Revenue:		
Member dues	\$ 1,513,686	\$ 1,460,805
Events/competitions	811,279	741,923
Funding	806,929	898,829
International	728,753	471,923
Marketing	597,498	676,469
Other	272,063	101,285
Donations	30,000	400
Merchandising	7,083	600
	4,767,291	4,352,234
Expenses:		
Payroll	1,745,663	1,771,123
Travel	1,055,314	675,768
Commercial	689,891	624,218
Administration	605,241	575,368
Events and competitions	356,882	218,505
International	332,024	476,092
Dues	178,500	123,500
Merchandising	69,627	89,751
	5,032,942	4,554,325
Deficiency of revenue over expenses before the undemoted	(265,651)	(202,091)
Other income:		
One-time dues fees	-	319,800
Foreign exchange gain	945	7,663
One-time expenses	-	(149,814)
	945	177,649
Deficiency of revenue over expenses	\$ (264,706)	\$ (24,442)

See accompanying notes to financial statements.

U SPORTS

Statement of Changes in Net Assets

Year ended March 31, 2018, with comparative information for 2017

	Internally restricted for student- athlete fund	Internally restricted for reserve purposes	Invested in TCA	Unrestricted	2018	2017
Net assets, beginning of year	\$ 50,000	\$ 176,108	\$ 546,424	\$ (570,866)	\$ 201,666	\$ 226,108
Deficiency of revenue over expenses	-	-	(121,709)	(142,997)	(264,706)	(24,442)
Additions to tangible capital assets	-	-	89,504	(89,504)	-	-
Release of internally restricted reserve		(176,108)	-	176,108	-	-
Net assets, end of year	\$ 50,000	\$ -	\$ 514,219	\$ (627,259)	\$ (63,040)	\$ 201,666

See accompanying notes to financial statements.

U SPORTS

Statement of Cash Flows

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	\$ (264,706)	\$ (24,442)
Items not involving cash:		
Amortization of leasehold inducement	(37,430)	(12,570)
Amortization of tangible capital assets	121,709	78,174
Net change in non-cash operating working capital items:		
Decrease (increase) in accounts receivable	190,298	(93,742)
Increase in inventories	(25,000)	-
Increase in prepaid expenses and advances	(113,517)	(33,859)
Increase (decrease) in accounts payable and accrued liabilities	206,590	(186,668)
Increase (decrease) in Coaches Excellence Fund	(5,243)	21,124
Increase (decrease) in deferred revenue	(33,387)	96,762
	<u>39,312</u>	<u>(155,221)</u>
Financing activities:		
Decrease in operating line of credit	-	(366)
Investing activities:		
Purchase of tangible capital assets	(89,504)	(824,227)
Increase in leasehold inducement	-	250,000
	<u>(89,504)</u>	<u>(574,227)</u>
Decrease in cash	(50,192)	(729,814)
Cash, beginning of year	148,298	878,112
Cash, end of year	\$ 98,106	\$ 148,298

See accompanying notes to financial statements.

U SPORTS

Notes to Financial Statements

Year ended March 31, 2018

The mission of U SPORTS (the "Organization") is to enrich the educational experience of the athlete through a national sports program that fosters excellence through quality educational and athletic experience, unity of purpose, respect for autonomy, integrity and fair play, trust and mutual respect, equity and equality of experience.

The Organization is a Registered Canadian Amateur Athletic Association under the Income Tax Act (Canada), and is not subject to income taxes. Effective September 4, 2014, the Organization continued its articles of incorporation under the Canada Not-for-profit Corporations Act.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition:

The Organization uses the deferral method of accounting for contributions for not-for-profit organizations.

Restricted revenue is recognized as revenue in the year in which the related expenditure is incurred.

Unrestricted revenue is recognized as revenue when it is received or becomes receivable.

Membership fees are recognized as revenue in the period in which they become receivable.

(b) Internally restricted [REDACTED] student-athlete fund:

The fund will be used as directed by the Board.

(c) Internally restricted reserve:

The reserve was created to provide financial stability for the Organization and is not available for other purposes without approval of the Board of Directors.

(d) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Amortization of office furniture and equipment is provided on the straight line basis over five years, computers and computer software is provided on the same basis over three years and amortization of leasehold improvements is provided over the term of the lease.

U SPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2018

1. Significant accounting policies (continued):

(e) Sports Canada contributions:

Contributions received from Sport Canada are subject to specific terms and conditions regarding the expenditure of the funds. The Organization's accounting records are subject to audit by Sport Canada to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which therefore would be refundable to Sport Canada. Adjustments to prior years' contributions are recorded in the year in which Sport Canada requests the adjustment.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has elected to carry investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

U SPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2018

1. Significant accounting policies (continued):

(g) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

2. Tangible capital and Intangible assets:

		2018	2017
	Cost	Accumulated amortization	Net book value
Tangible capital assets:			
Office furniture and equipment	\$ 263,656	\$ 132,101	\$ 131,555
Computer	33,760	19,599	14,161
Leasehold improvements	554,624	64,764	499,860
Intangible capital assets:			
Computer software	155,356	39,283	116,073
	\$ 1,007,396	\$ 255,747	\$ 751,649
			\$ 783,854

Cost and accumulated amortization at March 31, 2017 amounted to \$917,892 and \$134,038, respectively.

U SPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2018

3. Accounts payable and accrued liabilities:

	2018	2017
Trade	\$ 591,368	\$ 286,656
Travel pool	276,503	296,224
Accrued liabilities / payroll-related	131,180	279,379
Credit cards payable / staff expenses	76,223	41,405
Championship bond	65,000	30,000
	<hr/> \$ 1,140,254	<hr/> \$ 933,664

4. Line of credit:

The Organization has a line of credit of \$100,000 with a Canadian chartered bank. The line of credit bears interest at prime plus 2.0% per annum. At year-end, the Organization had drawn \$Nil (2017 - \$Nil) on the line of credit.

5. Net assets:

The Organization considers its capital to consist of its unrestricted and internally restricted net assets. The objective of the Organization with respect to its capital is to fund ongoing operations and future projects. The Organization manages its capital by maintaining and monitoring amounts available for future projects, contingencies and other capital requirements.

The Organization is not subject to externally imposed capital requirements and its overall strategy with respect to capital remains unchanged from the year ended March 31, 2017.

U SPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2018

6. Commitments:

The Organization has entered into a long-term operating lease for rental of office space. The minimum annual payments are as follows:

2019	\$ 128,695
2020	136,049
2021	139,726
2022	143,403
2023	143,403
Thereafter	1,213,410
	<hr/>
	\$ 1,904,686

7. Economic dependence:

The Organization generates the majority of its revenue from 56 participating Universities in the form of member dues, events and competitions, and shared funding arrangements. Future operations of the Organization are dependent upon continued participation of the participating Universities.

8. Financial risk management:

Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

The Organization is not subject to significant currency, interest rate or credit risks.

There has been no change to these risk exposures from the year ended March 31, 2017.

9. Comparative information:

Certain 2017 comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.