

CH193520853029

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Registered Canadian Amateur Athletic Association Information Return

Identification

Name of association U SPORTS	
Address 45 VOGELL ROAD, SUITE 701	
City RICHMOND HILL	
Province or territory Ontario	Postal code L4B3P6

Return for fiscal period ending

2	0	1	9	0	3	3	1
Year	Month	Day					

Is this the first return filed by this association?

Yes No

If "no," has the fiscal period changed from the last return filed?

Yes No

Is this the final return to be filed by this association?

Yes No

If "yes," please attach an explanation.

File number

BN/Registration number

132005802 R R 0001

Is the address above the same mailing address as last year?
Yes No

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

Yes No

Yes No

Instructions

1. 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

Authorized by the Minister of National Revenue.

Charities Directorate/
Direction des organismes de bienfaisance

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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. \$ 25,000

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 (confidential). 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 (confidential). 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 of [REDACTED]
Name of director whose signature appears below.

2. I, DANIEL McMAHON of [REDACTED]
Name of director whose signature appears below.

Address (confidential)

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 offense under the *Income Tax Act* to provide false or deceptive information.)

1. Signature of director (confidential)	Position with the association
[REDACTED]	C.E.O.
Home telephone number (confidential)	Business telephone number
[REDACTED]	Date
2. Signature of director (confidential)	Position with the association
[REDACTED]	FINANCE COMMITTEE - CHAIR
Home telephone number (confidential)	Business telephone number
[REDACTED]	Date

RCAA:

Personal information is collected under the authority of the *Income Tax Act* and is used to establish and validate the identity and contact information of directors, trustees, officers and/or like officials and authorized representatives of the organization. This information will also be used as a basis for the indirect collection of additional personal information from other internal and external sources, which includes social insurance number (SIN), personal tax information, and relevant financial and biographical information, which may be used to assess the overall risk of registration with respect to the obligations of registration as outlined in the *Act* and the common law. The SIN is collected pursuant to subsection 237 of the *Act* and is used for identification purposes.

The Canada Revenue Agency (CRA) will make this form and all attachments available to the public upon request and/or on the Charities Directorate website, except for information or data identified as confidential. Personal information may also be disclosed to the organization in question and/or its authorized representatives and other third parties pursuant to the disclosure provisions under Section 241 of the *Act*. Personal information may also be shared with other government departments and agencies under information-sharing agreements in accordance with the disclosure provisions under Section 241 of the *Act*. Incomplete or inaccurate information may result in a range of actions including suspension of tax-receiving privileges, up to and including revocation of registered status.

Information is described in Charities Program CRA PPU 200 and is protected under the *Privacy Act*. Individuals have a right of protection, access to and correction or notation of their personal information. Please be advised that you are entitled to complain to the Privacy Commissioner of Canada regarding our handling of your information.

Notification to directors and like officials: The CRA strongly encourages the association to voluntarily inform directors and like officials that their personal information has been collected and disclosed to the CRA for the submission of its annual information return.

I confirm that I have read the Privacy statement above.

U SPORTS

Period ending March 31, 2019

4.	Name	Address	Position	Occupation
	Alaa Abd-El-Aziz		Director	
	Manon Simard		Secretary	
	Annette Trimbee		Chair	
	Daniel McMahon		Treasurer	
	Benoit Antoine Bacon		Director	
	Pierre Arsenault		Director	
	Christine Stapleton		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 have COPY written on it.

Financial Statements of

U SPORTS

Year ended March 31, 2019

INDEPENDENT AUDITORS' REPORT

To the Members of U SPORTS

Opinion

We have audited the financial statements of U SPORTS (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2019
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2019, 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *"Auditors' Responsibilities for the Audit of the Financial Statements"* section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

Chartered Professional Accountants, Licensed Public Accountants
Kanata, Canada

U SPORTS

Statement of Financial Position

March 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash	\$ -	\$ 98,106
Accounts receivable	612,692	450,276
Investments	-	50,000
Prepaid expenses and advances	248,729	208,515
Inventories	38,119	25,000
	<u>897,540</u>	<u>831,897</u>
Tangible capital assets (note 2)	740,707	751,649
	<u>\$ 1,638,247</u>	<u>\$ 1,583,546</u>

Liabilities and Net Assets

Current liabilities:		
Bank indebtedness	\$ 32,473	\$ -
Line of credit (note 3)	20,000	-
Accounts payable and accrued liabilities (note 4)	922,435	798,751
Deferred revenue	52,893	63,375
	<u>1,027,801</u>	<u>862,126</u>
Leasehold inducement	175,001	200,000
Travel pool and championship bond payable	364,420	341,503
Coaches Excellence Fund	279,623	242,957
Net assets (note 5):		
Internally restricted for RBC student - athlete fund	-	50,000
Invested in tangible capital and intangible assets	565,706	514,219
Unrestricted	(774,304)	(627,259)
	<u>(208,598)</u>	<u>(63,040)</u>

Commitments (note 6)

	\$ 1,638,247	\$ 1,583,546
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See accompanying notes to financial statements.

On behalf of the Board:

[REDACTED]

Pierre Zundel, Chair - Finance Committee

[REDACTED]

Graham Brown, CEO

U SPORTS

Statement of Operations

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Member dues	\$ 1,543,699	\$ 1,513,686
Funding	793,950	806,929
Events/competitions	722,974	797,600
International	669,379	728,753
Marketing	376,291	597,498
U SPORTS central	341,594	171,351
Interest and other	108,946	114,392
Donations	25,000	30,000
Merchandising	11,073	7,083
	<u>4,592,906</u>	<u>4,767,292</u>
Expenses:		
Payroll	1,706,415	1,726,513
Travel	1,005,765	1,074,464
Administration	561,630	603,433
Commercial	527,006	689,691
International	472,204	413,049
Dues	178,500	178,500
Events and competitions	150,830	280,732
Merchandising	86,114	66,561
	<u>4,688,464</u>	<u>5,032,943</u>
Deficiency of revenue over expenses before the undemoted	<u>(95,558)</u>	<u>(265,651)</u>
Other income:		
Foreign exchange gain	-	945
Deficiency of revenue over expenses	\$ (95,558)	\$ (264,706)

See accompanying notes to financial statements.

U SPORTS

Statement of Changes in Net Assets

Year ended March 31, 2019, with comparative information for 2018

	Restricted for student- athlete fund	Invested in TCA	Unrestricted	2019	2018
Net assets, beginning of year	\$ 50,000	\$ 514,219	\$ (627,259)	\$ (63,040)	\$ 201,666
Excess (deficiency) of revenue over expenses		24,999	(120,557)	(95,558)	(264,706)
Additions to tangible capital assets	-	115,149	(115,149)	-	-
Amortization of tangible capital and intangible assets	-	(126,091)	126,091	-	-
Release of restricted reserve/interfund transfer	(50,000)	37,430	(37,430)	(50,000)	-
Net assets, end of year	\$ -	\$ 565,706	\$ (774,304)	\$ (208,598)	\$ (63,040)

See accompanying notes to financial statements.

U SPORTS

Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	\$ (95,558)	\$ (264,706)
Items not involving cash:		
Amortization of leasehold inducement	(24,999)	(37,430)
Amortization of tangible capital and intangible assets	126,091	121,709
Net change in non-cash operating working capital items:		
Decrease in investments	50,000	-
Decrease (increase) in accounts receivable	(162,416)	190,296
Increase in inventories	(13,119)	(25,000)
Increase in prepaid expenses and advances	(38,214)	(113,517)
Increase in accounts payable and accrued liabilities	123,684	206,590
Increase in travel pool and championship bond payable	22,917	-
Increase (decrease) in Coaches Excellence Fund	36,666	(5,243)
Decrease in deferred revenue	(10,482)	(33,387)
	14,570	39,312
Financing activities:		
Increase in operating line of credit	20,000	-
Endowment fund transfer	(50,000)	-
	(30,000)	-
Investing activities:		
Purchase of tangible capital and intangible assets	(115,149)	(89,504)
Decrease in cash	(130,579)	(50,192)
Cash, beginning of year	98,106	148,298
Cash (bank indebtedness), end of year	\$ (32,473)	\$ 98,106

See accompanying notes to financial statements.

U SPORTS

Notes to Financial Statements

Year ended March 31, 2019

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 became receivable.

(b) 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.

(c) 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.

U SPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2019

1. Significant accounting policies (continued):

(d) 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.

(e) 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.

U SPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2019

2. Tangible capital and Intangible assets:

		Cost	Accumulated amortization	2019	2018
				Net book value	Net book value
Tangible capital assets:					
Office furniture and equipment	\$ 282,012	\$ 179,929	\$ 102,083	\$ 131,555	
Computer	39,576	29,838	9,738	14,161	
Leasehold improvements	572,316	102,558	469,758	489,860	
Intangible capital assets:					
Computer software	228,641	69,513	159,128	116,073	
	\$ 1,122,545	\$ 381,838	\$ 740,707	\$ 761,649	

Cost and accumulated amortization at March 31, 2018 amounted to \$1,007,396 and \$255,747, respectively.

3. 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 \$20,000 (2018 - \$Nil) on the line of credit.

4. Accounts payable and accrued liabilities:

	2019	2018
Trade	\$ 375,684	\$ 348,093
Travel pool	339,354	243,275
Accrued liabilities / payroll-related	144,840	131,160
Credit cards payable / staff expenses	62,556	78,223
	\$ 922,434	\$ 798,751

U SPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2019

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.

During the year, the Organization released the \$50,000 endowment fund balance to income and has been included in interest and other revenue.

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, 2018.

6. Commitments:

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

2020	\$ 136,049
2021	139,726
2022	143,403
2023	143,403
2024	147,080
Thereafter	1,006,330
	<hr/>
	\$ 1,715,991

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.

U SPORTS

Notes to Financial Statements (continued)

Year ended March 31, 2019

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, 2018.

9. Comparative information:

Certain 2018 comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.