

YOUTHSPEAK PERFORMANCE CHARITY ORGANIZATION

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2016

BATEMAN, GRAHAM & FITZPATRICK CHARTERED PROFESSIONAL ACCOUNTANTS

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REVIEW ENGAGEMENT REPORT

To the Directors of
Youthspeak Performance Charity Organization

We have reviewed the statement of financial position of Youthspeak Performance Charity Organization as at August 31, 2016 and the statements of operations and net assets, and cash flows for the year then ended from information provided by the entity. Our review was made in accordance with generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussions related to information supplied to us by the entity.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.



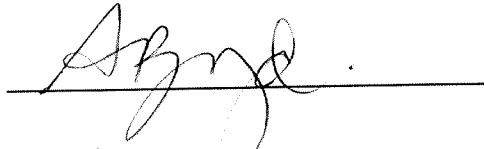

Chartered Accountants
Licensed Public Accountants

Newmarket, Ontario
January 30, 2017

**YOUTHSPEAK PERFORMANCE CHARITY ORGANIZATION
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2016**

	<u>2016</u>	<u>2015</u>
ASSETS		
Current		
Cash	\$ 21,500	\$ -
Accounts receivable	3,413	11,433
Prepaid expenses	<u>1,000</u>	<u>600</u>
	<u>\$ 25,913</u>	<u>\$ 12,033</u>
LIABILITIES		
Current		
Bank indebtedness	\$ -	\$ 5,425
Accounts payable and accruals	2,112	515
Current portion of long-term debt (Note 3)	<u>5,000</u>	<u>-</u>
	7,112	5,940
Long-term debt (Note 3)	9,167	-
Deferred contributions (Note 5)	<u>15,000</u>	<u>-</u>
	31,279	5,940
(DEFICIT) NET ASSETS	<u>(5,366)</u>	<u>6,093</u>
	<u>\$ 25,913</u>	<u>\$ 12,033</u>

On behalf of the Board

 <hr style="border: 0; border-top: 1px solid black; width: 100%;"/>	Director
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Unaudited - see Review Engagement Report

BATEMAN, GRAHAM & FITZPATRICK
CHARTERED PROFESSIONAL ACCOUNTANTS

**YOUTHSPEAK PERFORMANCE CHARITY ORGANIZATION
STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2016**

	<u>2016</u>	<u>2015</u>
REVENUES		
Booking fees	\$ 64,400	\$ 55,499
Ontario Trillium Foundation	12,500	27,500
Healthy Communities	1,000	5,000
Donations	42,050	13,567
Job Skills and Seneca	5,700	5,910
Interviews	2,013	9,202
Miscellaneous	<u>8,058</u>	<u>2,261</u>
	<u>135,721</u>	<u>118,939</u>
EXPENDITURES		
Advertising and promotion	600	893
Bank charges and interest	1,984	1,226
Conference	1,116	2,601
Insurance	1,761	1,585
Speakers	-	7,836
Office	7,304	3,704
Rent	11,433	7,200
Professional fees	1,808	1,808
Travel	3,414	2,368
Wages and benefits	<u>117,760</u>	<u>98,778</u>
	<u>147,180</u>	<u>127,999</u>
SHORTFALL OF REVENUE OVER EXPENDITURES FOR THE YEAR	(11,459)	(9,060)
NET ASSETS, beginning of year	<u>6,093</u>	<u>15,153</u>
(DEFICIT) NET ASSETS, end of year	<u>\$ (5,366)</u>	<u>\$ 6,093</u>

Unaudited - see Review Engagement Report

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**YOUTHSPEAK PERFORMANCE CHARITY ORGANIZATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2016**

	<u>2016</u>	<u>2015</u>
SOURCES (USES) OF CASH:		
OPERATING ACTIVITIES		
Shortfall of revenue over expenditures for the year	\$ (11,459)	\$ (9,060)
Changes in non-cash working capital items		
Accounts receivable	8,020	(8,830)
Prepaid expenses	(400)	600
Accounts payable and accruals	1,597	-
Deferred contributions	<u>15,000</u>	<u>-</u>
	12,758	(17,290)
FINANCING ACTIVITY		
Increase in loan payable	<u>14,167</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	26,925	(17,290)
(DEFICIENCY) CASH, beginning of year	<u>(5,425)</u>	<u>11,865</u>
CASH (DEFICIENCY), end of year	<u><u>\$ 21,500</u></u>	<u><u>\$ (5,425)</u></u>

Unaudited - see Review Engagement Report

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**YOUTHSPEAK PERFORMANCE CHARITY ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2016**

1. OPERATIONS

The organization was incorporated on May 20, 2011 by letters patent without share capital as a not-for-profit corporation under the Corporations Act of Ontario and commenced operating in November, 2011. Youthspeak empowers youth who face challenges through leadership training to positively impact their world by sharing their personal stories in assemblies and workshops.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and any adjustments are reported in earnings in the period they become known. The principal estimates used in the preparation of these financial statements include prepaid expenses and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

Financial assets measured at cost are tested annually for impairment. If there are indicators of impairment, the amount of the write-down is recognized as an expense.

Revenue recognition

Revenue from government ministries and foundations is recognized when due under terms of any related contracts. Amounts received but applicable to future periods are recognized as deferred revenues. Externally restricted contributions are accounted for using the deferral method. Other revenues are recorded when due.

Fixed assets

Fixed assets are expensed in the year of acquisition.

**YOUTHSPEAK PERFORMANCE CHARITY ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2016**

3. LONG-TERM DEBT

	<u>2016</u>	<u>2015</u>
Loan payable, prime rate plus 2%, due June 2019, monthly payments of \$448 on account of principal and interest.	\$ 14,167	\$ -
Less: amounts due within one year	<u>(5,000)</u>	<u>-</u>
	<u>\$ 9,167</u>	<u>\$ -</u>
Principal repayments over the next three years are as follows:		
2017	\$ 5,000	
2018	5,000	
2019	<u>4,167</u>	
	<u>\$ 14,167</u>	

4. COMMITMENTS

The organization leases its premises under an agreement which expires February 28, 2021 and calls for annual rental payments of \$2,464. In addition, the organization is responsible for its share of common area charges.

5. DEFERRED CONTRIBUTIONS

Under the terms of agreements with certain funding organizations, all funds received must be utilized in a prescribed manner. As a result of this stipulation, the organization recognizes funds received but not yet disbursed in the prescribed manner as deferred revenue. Amounts received but applicable to future periods are recognized as deferred contributions. The organization received externally restricted contributions of \$15,000 during the year and \$15,000 has been deferred.

**YOUTHSPEAK PERFORMANCE CHARITY ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2016**

6. FINANCIAL RISK MANAGEMENT

Credit Risk

Credit risk represents the financial loss that the organization would experience if a counterparty to a financial instrument failed to meet its obligations. The organization's credit risk is primarily attributable to its accounts receivable. The organization has established various internal controls designed to mitigate credit risk such as account monitoring procedures.

Liquidity Risk

Liquidity risk is the risk that the organization will be unable to fulfill its obligations on a timely basis or at reasonable cost. Management manages liquidity risk by monitoring its operational requirements to ensure it has sufficient funds to fulfil its obligations. Cash flow from operations provides a substantial portion of the organization's cash requirements. Additional cash requirements are met with the use of long term debt and bank overdraft.

Interest risks

The organization is exposed to interest rate risk on its long term debt. Interest on the organization's long term debt is calculated based on a variable interest rate that is adjusted monthly.