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Financial statements of  
**URBAN SQUASH, TORONTO**

August 31, 2021

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## Independent Auditor's Report

To the Board of Directors of  
URBAN SQUASH, TORONTO

### Opinion

We have audited the financial statements of URBAN SQUASH, TORONTO (the "Organization"), which comprise the statement of financial position as at August 31, 2021, and the statements of revenue, expenses and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at August 31, 2021, 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.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical 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 audit 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's 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 auditor's 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 GAAS 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 these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Organization 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.

We 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.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
October 20, 2022

**URBAN SQUASH, TORONTO****Statement of revenue, expenses and changes in net assets**

Year ended August 31, 2021

	Notes	2021 \$	2020 \$
<b>Revenue</b>			
Donations			
Foundations and grants		<b>166,570</b>	70,730
Board	3	<b>101,880</b>	156,560
Individual and corporate pledges		<b>74,926</b>	44,780
Individual donations		<b>62,680</b>	80,986
		<b>406,056</b>	353,056
Events/tournaments		<b>122,109</b>	32,331
Canada Emergency Wage Subsidy income	6	<b>55,931</b>	49,745
Canada Emergency Rent Subsidy income	6	<b>18,661</b>	—
Other		<b>646</b>	662
		<b>603,403</b>	435,794
<b>Expenses</b>			
Executive, academic, program and squash directors' salaries	5	<b>284,058</b>	204,244
Accounting and legal fees		<b>67,828</b>	13,603
Student meals		<b>49,933</b>	22,220
Downsview rent		<b>40,973</b>	6,267
Squash clothing and equipment		<b>36,038</b>	19,604
Events/tournaments		<b>21,385</b>	37,288
General office supplies, printing and telephone		<b>10,336</b>	10,216
Insurance		<b>8,724</b>	7,159
Education costs		<b>7,387</b>	—
Bank, credit card and online donation fees		<b>3,665</b>	3,263
Personal protective equipment		<b>2,028</b>	5,414
Bus transportation		<b>1,667</b>	26,525
Travel		—	5,647
		<b>534,022</b>	361,450
Excess of revenue over expenses		<b>69,381</b>	74,344
Net assets, beginning of year		<b>212,097</b>	137,753
<b>Net assets, end of year</b>		<b>281,478</b>	212,097

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

**URBAN SQUASH, TORONTO**  
**Statement of financial position**  
As at August 31, 2021

	Notes	<b>2021</b>	2020
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
Cash		<b>342,377</b>	141,682
Guaranteed investment certificates		<b>57,373</b>	56,928
Accounts receivable		<b>80,101</b>	121,305
Harmonized Sales Tax receivable		<b>9,230</b>	1,700
Prepaid expenses		<b>5,748</b>	4,435
		<b>494,829</b>	326,050
<b>Liabilities</b>			
Accounts payable and accrued liabilities	5	<b>162,861</b>	30,226
Deferred revenue and restricted contributions		<b>50,490</b>	83,727
		<b>213,351</b>	113,953
Commitments and contingency	5		
<b>Net assets</b>		<b>281,478</b>	212,097
		<b>494,829</b>	326,050

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

Approved by the Board

\_\_\_\_\_, Director

\_\_\_\_\_, Director

**URBAN SQUASH, TORONTO****Statement of cash flows**

Year ended August 31, 2021

	<b>2021</b>	2020
	<b>\$</b>	\$
<b>Operating activities</b>		
Excess of revenue over expenses	<b>69,381</b>	74,344
Net changes in non-cash working capital balances related to operations		
Accounts receivable	<b>41,204</b>	(91,305)
Harmonized Sales Tax receivable	<b>(7,530)</b>	8,825
Prepaid expenses	<b>(1,313)</b>	(515)
Accounts payable and accrued liabilities	<b>132,635</b>	17,399
Deferred revenue and restricted contributions	<b>(33,237)</b>	51,952
	<b>201,140</b>	60,700
<b>Investing activities</b>		
Proceeds from guaranteed investment certificates	<b>56,928</b>	56,362
Purchase of guaranteed investment certificates	<b>(57,373)</b>	(56,928)
	<b>(445)</b>	(566)
Net change in cash	<b>200,695</b>	60,134
Cash, beginning of year	<b>141,682</b>	81,548
<b>Cash, end of year</b>	<b>342,377</b>	141,682

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

## **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:

Asset/liability	Measurement
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 its capital assets on acquisition.

### *Revenue recognition*

Income from donations and fundraising 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.

Government contributions, including the Canada Emergency Wage Subsidy ("CEWS") and Canada Emergency Rent Subsidy ("CERS"), are recorded in the financial statements when there is reasonable assurance that the Organization has complied with, and will continue to comply with, all conditions necessary to obtain the assistance.



## **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 nil (\$50,000 in 2020) 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, 2021, the most significant liabilities are accounts payable and accrued liabilities.

## **5. Commitments and contingency**

### *Commitments*

The Organization has entered into an operating lease agreement for its premises expiring in fiscal 2025. The minimum annual lease payments are as follows:

	\$
2022	63,923
2023	63,923
2024	63,923
2025	47,942
	<u>239,711</u>

## **6. Government contributions**

During the year, the Organization recorded \$74,592 (\$49,745 in 2020) of government funding received in relation to payroll and rent, which have been recorded as revenue.

As at August 31, 2021, no contingent liability exists regarding repayment of funding received.