
Financial statements of
URBAN SQUASH, TORONTO

August 31, 2022

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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, 2022, and the statements of revenue, expenses and changes in net assets and of 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, 2022, 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
April 26, 2023

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

Year ended August 31, 2022

| | Notes | 2022 \$ | 2021 \$ |
|---|-------|-----------------|------------|
| Revenue | | | |
| Donations | | | |
| Board | 3 | 75,732 | 101,880 |
| Individual donations | | 67,419 | 62,680 |
| Foundations and grants | | 95,939 | 166,570 |
| Individual and corporate pledges | | 70,000 | 74,926 |
| Squash Scholars | | 3,000 | — |
| | | 312,090 | 406,056 |
| Canada Emergency Wage Subsidy income | 6 | — | 55,931 |
| Canada Emergency Rent Subsidy Income | 6 | 237 | 18,661 |
| Events/tournaments | | 146,506 | 122,109 |
| Other | | 6,620 | 646 |
| | | 465,453 | 603,403 |
| Expenses | | | |
| Executive, academic, program and squash directors' salaries | | 263,732 | 284,058 |
| Program expenses | | | |
| Snacks | | 10,745 | 49,933 |
| Squash clothing and equipment | | 17,363 | 36,038 |
| Events/tournaments | | 39,408 | 21,385 |
| Downsview rent | | 64,496 | 40,973 |
| Accounting and legal fees | | 26,100 | 67,828 |
| General office supplies, printing and telephone | | 20,173 | 10,336 |
| Insurance | | 10,278 | 8,724 |
| Education costs | | 2,399 | 7,387 |
| Bank, credit card and online donation fees | | 7,068 | 3,665 |
| Personal protective equipment | | — | 2,028 |
| Bus transportation | | 48,084 | 1,667 |
| Travel | | 1,261 | — |
| | | 511,107 | 534,022 |
| (Excess of expenses over revenue) revenue over expenses | | (45,654) | 69,381 |
| Net assets, beginning of year | | 281,478 | 212,097 |
| Net assets, end of year | | 235,824 | 281,478 |

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

URBAN SQUASH, TORONTO
Statement of financial position
As at August 31, 2022

| | Notes | 2022 | 2021 |
|--|-------|----------------|-----------|
| | | \$ | \$ |
| Assets | | | |
| Cash | | 118,189 | 342,377 |
| Guaranteed investment certificates | | 208,735 | 57,373 |
| Accounts receivable | | 27,624 | 80,101 |
| Harmonized Sales Tax receivable | | 22,651 | 9,230 |
| Prepaid expenses | | 14,800 | 5,748 |
| | | 391,999 | 494,829 |
| Liabilities | | | |
| Accounts payable and accrued liabilities | | 110,064 | 162,861 |
| Deferred revenue | | 46,111 | 50,490 |
| | | 156,175 | 213,351 |
| Commitments | 5 | | |
| Net assets | | 235,824 | 281,478 |
| | | 391,999 | 494,829 |

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, 2022

| | 2022 | 2021 |
|---|------------------|----------|
| | \$ | \$ |
| Operating activities | | |
| (Excess of expenses over revenue) revenue over expenses | (45,654) | 69,381 |
| Net changes in non-cash working capital balances related to operations | | |
| Accounts receivable | 52,477 | 41,204 |
| Harmonized Sales Tax receivable | (13,421) | (7,530) |
| Prepaid expenses | (9,052) | (1,313) |
| Accounts payable and accrued charges | (52,797) | 132,635 |
| Deferred revenue | (4,379) | (33,237) |
| | (72,826) | 201,140 |
| Investing activities | | |
| Proceeds from guaranteed investment certificates | — | 56,928 |
| Purchase of guaranteed investment certificates | (151,362) | (57,373) |
| | (151,362) | (445) |
| Net change in cash | (224,188) | 200,695 |
| Cash, beginning of year | 342,377 | 141,682 |
| Cash, end of year | 118,189 | 342,377 |

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.

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.

2. Accounting policies (continued)

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

During the year, there are no related party transactions (nil in 2021).

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, 2022, the most significant liabilities are accounts payable and accrued liabilities.

5. 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:

| | |
|------|----------------|
| | <u>\$</u> |
| 2023 | 63,923 |
| 2024 | 63,923 |
| 2025 | <u>47,942</u> |
| | <u>175,788</u> |

6. Government assistance

During the year, the Organization recorded \$237 (\$74,592 in 2021) of government funding received in relation to payroll and rent, which have been recorded as revenue.

As at August 31, 2022, no contingent liability exists regarding repayment of funding received.