

Financial Statements of

**LAY-UP YOUTH BASKETBALL**

April 30, 2024



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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**LAY-UP YOUTH BASKETBALL**

### Opinion

We have audited the accompanying financial statements of Lay-Up Youth Basketball ("the Organization"), which comprise the statement of financial position as at April 30, 2024 and the statements of operations, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at April 30, 2024, 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. 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 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 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 these 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 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 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.

TORONTO, Ontario  
October 24, 2024



**Licensed Public Accountants**

**LAY-UP YOUTH BASKETBALL**  
Statement of Financial Position

As at April 30,	2024	2023
<b>Assets</b>		
Current		
Cash	\$ 273,714	\$ 210,174
Investments (note 3)	124,061	205,881
Public Service Bodies' Rebate receivable	49,628	19,565
Contributions receivable	72,081	44,705
Prepaid expenses	6,232	13,783
	<b>525,716</b>	494,108
Capital assets (note 4)	16,987	23,794
	<b>\$ 542,703</b>	<b>\$ 517,902</b>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (note 5)	\$ 95,051	\$ 74,869
Deferred contributions (note 6)	176,710	37,170
	<b>271,761</b>	112,039
Canada Emergency Business Account (CEBA) loan (note 7)	-	39,141
Deferred capital contributions (note 8)	417	1,250
	<b>272,178</b>	152,430
<b>Net assets</b>		
Unrestricted	<b>270,525</b>	365,472
	<b>\$ 542,703</b>	<b>\$ 517,902</b>

Commitments (note 11)

On behalf of the Board of Directors:

Signed by:

*Karen Papadopoulos*

Director

DocuSigned by:

*Max Daviau*

Director

See accompanying notes to the financial statements.

**LAY-UP YOUTH BASKETBALL**

## Statement of Operations and Changes in Net Assets

Year ended April 30,	2024	2023
Revenues		
Contributions (note 9)	\$ 1,716,925	\$ 1,391,303
Interest	5,451	7,211
Amortization of deferred capital contributions (note 8)	833	833
	<b>1,723,209</b>	1,399,347
Expenses		
Programs	1,095,019	955,959
Office and general	490,203	403,518
Staff training and development	94,207	21,474
Advertising and promotion	62,083	69,467
Professional fees	48,927	34,830
Insurance	14,975	13,881
Amortization	12,742	8,671
	<b>1,818,156</b>	1,507,800
Deficiency of revenue over expenses for the year	<b>(94,947)</b>	(108,453)
Net assets, beginning of year	<b>365,472</b>	473,925
Net assets, end of year	<b>\$ 270,525</b>	<b>\$ 365,472</b>

See accompanying notes to the financial statements.

**LAY-UP YOUTH BASKETBALL**

## Statement of Cash Flows

Year ended April 30,	2024	2023
Cash used in operating activities:		
Deficiency of revenue over expenses for the year	\$ (94,947)	\$ (108,453)
Items not requiring an outlay of cash:		
Amortization of capital assets	12,742	8,671
Amortization of deferred capital contributions	(833)	(833)
	(83,038)	(100,615)
Changes in non-cash working capital balances:		
Public Service Bodies' Rebate receivable	(30,063)	4,904
Contributions receivable	(27,376)	(31,615)
Prepaid expenses	7,551	(3,516)
Accounts payable and accrued liabilities	20,182	11,859
Deferred contributions	139,540	29,670
	26,796	(89,313)
Cash provided by (used in) operating activities		
Cash provided by investing activities:		
Redemption of investments - net	81,820	206,172
Purchase of capital assets	(5,935)	(18,491)
	75,885	187,681
Cash provided by investing activities		
Cash used by financing activities:		
Repayment of CEBA loan	(39,141)	(859)
	63,540	97,509
Increase in cash		
Cash, beginning of the year	210,174	112,665
	\$ 273,714	\$ 210,174
Cash, end of the year		

See accompanying notes to the financial statements.

**LAY-UP YOUTH BASKETBALL**  
Notes to the Financial Statements  
April 30, 2024

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**1 Organization**

Lay-Up Youth Basketball ("the Organization") was incorporated on March 28, 2016 without share capital under the Canada Not-For-Profit Corporations Act. The Organization is a registered charity under the *Income Tax Act (Canada)* and accordingly is exempt from income taxes.

The Organization provides free leadership basketball programs in Toronto's priority communities. The Organization's mission is to empower youth with confidence and life skills to be community leaders of tomorrow. High quality basketball is used as a platform to deliver meaningful, customized off the court programming that will equip and inspire youth to overcome barriers in academia, life skills development and healthy living. The Organization offers summer camps and school year programs as well as employment to teens and young adults. The Organization serves individuals ranging in age from 6 to 29.

**2 Summary of 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

(i) Contributions

The Organization follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is assured.

(ii) Interest income

Revenue from interest income is recognized in the year it is earned.

(b) In-kind donations

Contributed goods and services, except for contributed permit fees and food for events, are not recorded in the financial statements because of the difficulty of determining the value of goods and volunteer hours received. Contributed permit fees and food for events is recognized as revenue and as a program expense in the year it to which it relates.

(c) Capital assets

The Organization records capital assets at cost. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use. When conditions indicate a capital asset no longer contributes to the Organization's ability to provide services or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, its net carrying amount is written down to its fair value or replacement cost.

Capital assets are depreciated over their estimated useful lives on a straight-line basis as follows:

Computers	3 years
Equipment	3 years

(d) Allocation of expenses

The Organization allocates personnel costs by financial statement expense category. Personnel allocations are based on time spent by activity (note 12).

**LAY-UP YOUTH BASKETBALL**  
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**2 Summary of significant accounting policies (continued)**

(e) Financial instruments

(i) Measurement

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 amortized cost.

(ii) Impairment

At the end of each reporting period, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Organization. When there is an indication of impairment, the Organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

(f) Management 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 reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and changes in net assets, and the reported amounts of revenues and expenses during the current period.

All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

**3 Investments**

The following investments are held by a major Canadian chartered bank:

As at April 30	2024	2023
Prime linked, redeemable guaranteed investment certificates, bearing interest at 4.50% (2023 - NA) and maturing on June 28, 2024 (2023 - NA)	\$ 101,582	\$ -
Fixed rate, non-redeemable guaranteed investment certificates, bearing interest at 3.25% (2023 - 2.00% to 4.30%) and maturing on dates ranging from July 11, 2024 to August 4, 2024 (2023 - May 17, 2023 to August 4, 2023)	12,349	195,838
Fixed rate, redeemable guaranteed investment certificates, bearing interest at 2.25% (2023 - 0.75%) and maturing on October 2, 2024 (2023 - October 2, 2023)	10,130	10,043
	\$ 124,061	\$ 205,881



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**4 Capital assets**

As at April 30,	<b>2024</b>		<b>2023</b>	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computers	\$ 28,162	\$ (16,243)	\$ 23,903	\$ (7,565)
Equipment	13,034	(7,966)	11,357	(3,901)
	<b>\$ 41,196</b>	<b>\$ (24,209)</b>	<b>\$ 35,260</b>	<b>\$ (11,466)</b>
		<b>\$ 16,987</b>		<b>\$ 23,794</b>

**5 Accounts payable and accrued liabilities**

Included in accounts payable and accrued liabilities is \$20,014 (2023 - \$18,316) in government remittances payable.

**6 Deferred contributions**

Deferred contributions are comprised as follows:

As at April 30,	<b>2024</b>		<b>2023</b>	
The Aune Foundation	\$ 62,500		\$ -	
Ontario Trillium Foundation	50,960		-	
Aubrey & Marla Dan Foundation	50,000		-	
Kyzalea Foundation	12,500		-	
Canadian Women and Sport	750		-	
Canada Basketball	-		25,000	
Ontario Arts Council	-		8,670	
Toronto Arts Council	-		3,500	
	<b>\$ 176,710</b>		<b>\$ 37,170</b>	

Continuity of deferred contributions for the year is as follows:

Year ended April 30,	<b>2024</b>		<b>2023</b>	
Deferred contributions, beginning of the year	\$ 37,170		\$ 7,500	
Add contributions received	1,856,465		1,420,973	
Less contributions recognized in revenue	(1,716,925)		(1,391,303)	
Deferred contributions, end of the year	<b>\$ 176,710</b>		<b>\$ 37,170</b>	

**7 Canada Emergency Business Account (CEBA) loan**

The Organization received a \$60,000 loan in a prior year under the federal government's Canada Emergency Business Account (CEBA) program which provided assistance to small businesses in paying non-deferrable operating expenses. The CEBA program was designed to assist organizations dealing with the economic impact of the COVID-19 pandemic. Provided \$40,000 of the CEBA loan was repaid on or before January 18, 2024, the remaining \$20,000 would be forgiven. The Organization paid the balance owing on the CEBA loan during the year.

**LAY-UP YOUTH BASKETBALL**

## Notes to the Financial Statements

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**8 Deferred capital contributions**

Deferred capital contributions related to capital assets represent the unamortized amount of contributions received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations and changes in net assets on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets.

Year ended April 30,	2024	2023
Unamortized capital contributions, beginning of year	\$ 1,250	\$ 2,083
Capital contributions received	-	-
Amounts amortized to revenue	(833)	(833)
Unamortized capital contributions, end of year	\$ 417	\$ 1,250

**9 Contributions**

Contributions are comprised of the following major sources:

Year ended April 30,	2024	2023
Foundations and other registered charities	\$ 761,911	\$ 680,790
Government grants and contracts	609,650	259,654
Corporations	245,987	286,816
Individuals	91,985	162,187
Other	7,392	1,856
	\$ 1,716,925	\$ 1,391,303

**10 Related party transaction**

Included in office and general expenses is \$2,500 (2023 - \$nil) for training services provided by the spouse of a member of the Organization's management team. This related party transaction is measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**11 Commitments**

The Organization's operating lease for premise was entered into subsequent to year end and expires on June 30, 2027. The minimum required payments over the 36 month term, excluding escalations and HST, is as follows:

2025 -	\$26,269
2026 -	\$32,341
2027 -	\$33,155
2028 -	\$5,548

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**12 Allocated expenses**

Salaries and benefits expenses totaling \$1,117,763 (2023 - \$906,585) are allocated by management using their best estimate, based on time for labour, to the activities which they benefit.

Salaries and benefits expenses have been allocated as follows:

For the year ended April 30,	2024	2023
Programs	\$ 700,400	\$ 599,642
Office and general	396,030	292,970
Advertising and promotion	21,333	13,973
	\$ 1,117,763	\$ 906,585

Salaries and benefits allocated to Programs represent compensation provided by the Organization to youth through the youth coach development program.

**13 Financial instruments**

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations. The financial instruments and the nature of the risks to which they may be subject are as follows:

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk through its contributions receivable, which are unsecured.

**Liquidity risk**

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. The Organization meets its liquidity requirements by preparing and monitoring forecasts of cash flows from operations and anticipating investing and financing activities.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

The Organization is not significantly exposed to other price risk.

**Currency risk**

Currency risk reflects the risk that the Organization's earnings will fluctuate with changes in the United States (US) dollar exchange rate. During the year the Organization received two payments of donations from an American foundation denominated in US currency for which the related revenue and accounts receivable balances were subject to exchange rate fluctuations. As at April 30, 2024 there is \$34,000 (2023 - \$nil) of accounts receivable denominated in US currency.

## **LAY-UP YOUTH BASKETBALL**

Notes to the Financial Statements

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### **13 Financial instruments (continued)**

#### **Market risk (continued)**

##### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Organization's guaranteed investment certificates earn interest at market rates. The Organization manages its exposure to the interest rate risk of its cash by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash do not have a significant impact on the Organization's results of operations.

##### **Changes in risk**

There have been no significant changes in the Organization's risk exposures from the prior year.