

British Columbia Amateur Softball Association
Financial Statements
For the year ended April 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of
British Columbia Amateur Softball Association

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of British Columbia Amateur Softball Association (the "Association"), which comprise the statement of financial position as at April 30, 2025, the statement of changes in net assets, the statement of operations, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at April 30, 2025 and its 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 Association 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 qualified opinion.

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

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

Those charged with governance are responsible for overseeing the Association'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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 Association'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 Association'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 Association 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 controls that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by The Societies Act (British Columbia), we report that, in our opinion, these financial statements are prepared on a basis consistent with that of the previous year.

Other Matter

The financial statements of British Columbia Amateur Softball Association for the year ended April 30, 2024 were audited by another accountant who expressed an unqualified opinion on those statements on September 12, 2024.

WL & Company
Chartered Professional Accountants
Vancouver, BC
September 10, 2025

British Columbia Amateur Softball Association

Statement of Financial Position

As at April 30, 2025

	2025	2024
		(Note 14)
Assets		
Current assets		
Cash	\$ 61,579	\$ 84,028
Accounts receivable	14,063	13,065
GST receivable	2,273	-
Inventory (Note 3)	4,158	3,330
Prepaid expenses	28,854	47,726
	110,927	148,149
Property and equipment (Note 4)	4,261	8,316
Restricted cash and term deposits (Note 5)	184,740	190,968
	\$ 299,928	\$ 347,433
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 119,005	\$ 95,563
Government agencies payable	419	9,258
Unearned revenue (Note 6)	63,811	149,061
Deferred contributions (Note 7)	7,000	16,981
	190,235	270,863
Net Assets		
Unrestricted	(75,047)	(114,128)
Internally restricted (Note 8)	84,740	90,698
Endowment (Note 9)	100,000	100,000
	109,693	76,570
Total Liabilities and Net Assets	\$ 299,928	\$ 347,433

Contingency (Note 10)

Approved on behalf of the Board of Directors

Lisa Parkes
Director Lisa Parkes - President

Rachel Allan
Director Rachel Allan - Treasurer

See accompanying notes to the financial statements.

British Columbia Amateur Softball Association

Statement of Changes in Net Assets

For the year ended April 30, 2025

	2025				2024	
	Unrestricted	Internally restricted	Externally restricted	Total	Total	(Note 14)
Net Assets (deficiency), beginning of year	(\$114,128)	\$ 90,698	\$ 100,000	\$ 76,570	\$ 25,753	
Excess of revenues over expenses	33,123	-	-	33,123	50,817	
Fund transfer (Note 8)	5,958	(5,958)	-	-	-	
Net Assets, end of year	(\$75,047)	\$ 84,740	\$ 100,000	\$ 109,693	\$ 76,570	

See accompanying notes to the financial statements.

British Columbia Amateur Softball Association

Statement of Operations

For the year ended April 30, 2025

	2025	2024
		(Note 14)
Revenues		
Championship fees	\$ 186,706	\$ 164,822
Clinics	77,051	74,491
Grants	254,915	317,324
Membership fees	660,632	565,942
Programs - high performance	50,229	8,414
Programs - player development	2,763	680
Sponsorship	33,120	28,316
Other	50,549	31,203
	1,315,965	1,191,192
Expenses		
Affiliation fees	52,667	51,512
Canadian/Western Canadian programs	19,525	20,350
Championship programs	195,223	214,487
Coaching development	35,831	36,342
General and administrative expenses	102,011	109,559
Governance expenses	90,714	68,028
High performance programs	55,169	28,272
Membership services	136,099	141,717
Miscellaneous	-	11,231
Player development programs	52,820	18,788
Professional fees	114,643	97,075
Umpire development programs	40,216	40,786
Staffing expenses	387,924	302,228
	1,282,842	1,140,375
Excess of revenues over expenses	\$ 33,123	\$ 50,817

See accompanying notes to the financial statements.

British Columbia Amateur Softball Association

Statement of Cash Flows

For the year ended April 30, 2025

	2025	2024
		(Note 14)
Operating activities		
Excess of revenues over expenses	\$ 33,123	\$ 50,817
Items not affecting cash		
Amortization of property and equipment	5,893	7,724
Deferred contributions received in the prior year	(7,000)	(4,526)
Unearned revenue received in the prior year	(149,061)	(70,983)
	(117,045)	(16,968)
Net changes in operating receivables, payables and inventory		
Accounts receivable	(998)	5,382
Inventory	(828)	13,526
Prepaid expenses	18,872	(10,220)
Accounts payable and accrued liabilities	23,442	(65,110)
Government agencies payable	(11,112)	(9,112)
Unearned revenue	63,811	149,061
Deferred contributions	(2,981)	12,000
	(26,839)	78,559
Financing activity		
Repayment of long-term debt	-	(40,000)
	-	(40,000)
Investing activities		
Purchase of property and equipment	(1,838)	(4,233)
Proceeds from restricted term deposits	112,766	112,200
Purchase of restricted term deposits	(130,000)	(112,766)
Increase in restricted cash	23,462	(7,423)
	4,390	(12,222)
Increase (decrease) in cash	(22,449)	26,337
Cash, beginning of year	84,028	57,691
Cash, end of year	\$ 61,579	\$ 84,028

See accompanying notes to the financial statements.

British Columbia Amateur Softball Association

Notes to the Financial Statements

For the year ended April 30, 2025

1. Incorporation and nature of the association

British Columbia Amateur Softball Association (the "Association") was incorporated on April 26, 1950 under the authority of The Societies Act (British Columbia). The Association is registered as a not-for-profit organization and thus is exempt from income taxes under Section 149(1) of the Canadian Income Tax Act (the "Act"). In order to maintain its status as a registered not-for-profit organization under the Act, the Association must meet certain requirements in the Act. In the opinion of management, the requirements have been met.

The purpose of the Association is to promote, govern and build the sport of softball throughout the Province of British Columbia.

As of April 30, 2025, the Association vacated its physical office premises and has transitioned to a fully virtual office where employees operate remotely. The lease agreement for the former office was terminated.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO") set out in Part III of the CPA Canada Handbook. The Association's significant accounting policies are as follows:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and term deposits with maturities of three months or less. Cash subject to restrictions that prevent its use for general operating expenses are included in restricted cash.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined. When fair value cannot be reasonably determined, capital assets have been recorded at nominal value.

Amortization is provided annually using the straight-line method:

Computer equipment	3 years
Office equipment	5 years
Sports equipment	3 years
Leasehold improvements	3 years

Property and equipment subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that the assets no longer have long-term service potential to the Association. If such conditions exist, an impairment loss is measured as the amount by which the carrying amount of the asset exceeds its residual value.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

British Columbia Amateur Softball Association

Notes to the Financial Statements

For the year ended April 30, 2025

2. Significant accounting policies (continued)

Revenue recognition (continued)

The Association recognizes championship fees, membership fees, and programs and clinic revenue, over the period of registration or program and clinic delivery. Registration fees paid in advance are recorded as unearned revenue and recognized as income over the registration term.

Government funding, grants and sponsorship revenue are recorded when the related expenses are incurred. Where a portion of such funding relates to a future period, it is deferred and recognized in the period in which the related expenses are incurred.

Other revenues are recognized when earned.

Measurement uncertainty (Use of estimates)

The preparation of financial statements in conformity with ASNPO 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 revenues over expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of the property and equipment.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues over expenses in the periods in which they become known.

Long-lived assets

Long-lived assets consist of property and equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Association determines that a long-lived asset no longer has any long-term potential to the Association, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Contributed material and services

Contributions of services are recognized in the statement of operations when a fair value can be reasonably estimated and when the services are used in the normal course of the Association's operations and would otherwise have been purchased. If such contributions do not have a fair value that can be readily determined, the contributions are not recognized in the financial statements.

Financial instruments

Financial instruments are initially recorded at fair value and subsequently measured at amortized cost. Financial assets are tested periodically for impairment when there are indicators of impairment. The amount of any write-down is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of any reversal is recognized in the statement of operations.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues or expenses. Conversely, transaction costs and financing fees are added to the carrying cost amount for those financial instruments measured at cost or amortized cost.

British Columbia Amateur Softball Association

Notes to the Financial Statements

For the year ended April 30, 2025

3. Inventory

Inventory consists of rulebooks and the cost of inventories recognized as an expense and included in general and administration amounted to \$12,580 (2024 - \$16,745).

4. Property and equipment

2025			
	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 8,638	\$ 4,462	\$ 4,176
Sports equipment	1,519	1,434	85
	<u>\$ 10,157</u>	<u>\$ 5,896</u>	<u>\$ 4,261</u>

2024			
	Cost	Accumulated amortization	Net book value
Office and computer equipment	\$ 25,388	\$ 18,665	\$ 6,723
Leasehold improvements	19,698	18,696	1,002
Sports equipment	1,519	928	591
	<u>\$ 46,605</u>	<u>\$ 38,289</u>	<u>\$ 8,316</u>

Amortization of \$5,893 (2024 - \$7,724) has been recognized as an expense and included in general and administrative expenses.

5. Restricted cash and term deposits

Restricted cash and term deposits include cash held in the general operating account and term deposits. The term deposits include an endowment contribution of \$100,000, subject to externally imposed restrictions to be maintained permanently. This term deposit earns interest at 2.80% (2024 – 4.1%) per annum and has a maturity date of April 8, 2026. A second term deposit is held in the amount of \$15,000 and is part of the Minor Development Fund. This term deposit also earns interest at 2.70% (2024 – 4.1%) per annum and has a maturity date of April 1, 2026. A third term deposit is held in the amount of \$15,000 and is part of the Gordon MacDonald and Margo Thomas Memorial Fund. This term deposit also earns interest at 2.80% per annum and has a maturity date of April 1, 2027.

British Columbia Amateur Softball Association

Notes to the Financial Statements

For the year ended April 30, 2025

6. Unearned revenue

Unearned revenue represent membership fees received in advance for the next fiscal year.

	<u>2025</u>	<u>2024</u>
Balance, beginning of the year	\$ 149,061	\$ 70,983
Membership fees received in the year	575,382	644,020
Membership fees recognized in the year	<u>(660,632)</u>	<u>(565,942)</u>
	<u>\$ 63,811</u>	<u>\$ 149,061</u>

7. Deferred contributions

Deferred contributions represent contributions from funding agencies that are externally restricted for the performance of services. Sponsorship revenue represents cash payments received from sponsorship/partnership agreements. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made.

	Deferred Contributions as at April 30, 2024	Current Year Funding Received	Current Year Revenue Recognized	Deferred Contributions as at April 30, 2025
Sponsorship revenue	\$ 7,000	\$ 7,000	\$ (7,000)	\$ 7,000
Province of British Columbia	9,981	-	(9,981)	-
	<u>\$ 16,981</u>	<u>7,000</u>	<u>\$ (16,981)</u>	<u>\$ 7,000</u>

8. Internally restricted net assets

The Board of Directors have internally restricted certain of the Association's assets for future expenditures related to terms of references assigned to funds. These internally restricted cash and term deposit amounts are not available for other purposes without the approval of the Board of Directors.

	As at April 30, 2024	Additions	Deductions	As at April 30, 2025
Gordon MacDonald and Margo Thomas Memorial Fund (a)	\$ 36,045	\$ 4,752	\$ (3,001)	\$ 37,796
Minor Development Fund (b)	41,851	15,147	(27,265)	29,733
Umpire Development Fund (c)	12,802	11,270	(6,861)	17,211
	<u>\$ 90,698</u>	<u>\$ 31,169</u>	<u>\$ (37,127)</u>	<u>\$ 84,740</u>

- a) The Gordon MacDonald and Margo Thomas Memorial Fund provides bursaries to support registered umpires in British Columbia who are attending a recognized post-secondary program. \$3 from each umpire registration fee is allocated to the fund.
- b) The Minor Development Fund provides financial assistance to districts and associations through British Columbia to assist them in their initiatives to develop and grow minor players and coaches. \$2 from each membership registration fee from U13 to U20 is allocated to the fund.

British Columbia Amateur Softball Association

Notes to the Financial Statements

For the year ended April 30, 2025

8. Internally restricted net assets (continued)

- c) The Umpire Development Fund provides funding for an umpire to attend a specific event. From each membership registration fee, \$5 for Levels 1 and 2, \$10 for Level 3 and \$20 for Level 5 is allocated to the fund.

9. Endowment

The Association has a permanent endowment fund. The interest and investment income generated from this fund are designated to offset expenses related to minor softball which aligns with the purpose of the Association. Investment income earned on the endowment fund is unrestricted. The endowment is invested in a GIC term deposit (see Note 5).

10. Credit facility

The Association has access to a line of credit facility to a maximum of \$200,000 (2024 - \$200,000), bearing interest at the financial institution's prime rate plus 2.05% per annum and is due on demand. The line of credit is collateralized by the \$100,000 restricted term deposit as described in Note 5, and a general security agreement constituting a first ranking security interest in all personal property of the Association. As at April 30, 2025, the amount outstanding under this facility was \$nil (2024 - \$nil).

11. Grants

Grants include government funding and other grants:

	<u>2025</u>	<u>2024</u>
<u>Government grants</u>		
ViaSport British Columbia Society	\$ 180,934	\$ 180,934
Community gaming grant from the Province of British Columbia	<u>64,000</u>	<u>64,000</u>
	244,934	244,934
<u>Other grants</u>	<u>9,981</u>	<u>72,390</u>
Total	<u>\$ 254,915</u>	<u>\$ 317,324</u>

12. Remuneration and benefits

Remuneration and benefits included in staffing expenses in the statement of operations is the total amount of \$97,857 paid to the Executive Director in the current fiscal year (2024 – no employees paid more than \$75,000). No directors received remuneration for their contribution to the governance or operations of the Association (2024 – no directors).

13. Financial instruments

Financial risks

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

British Columbia Amateur Softball Association

Notes to the Financial Statements

For the year ended April 30, 2025

13. Financial instruments (continued)

(a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Association is exposed to interest rate price risk on its restricted term deposits.

(b) Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association enters into transactions to purchase goods and services on credit and borrow funds from financial institutions, for which repayment is required at various maturity dates.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Association's main credit risk relates to its cash deposits at the bank and accounts receivable.

The Association places its cash deposits with a single financial institution. Deposits are in a major chartered bank and accordingly, credit risk with respect to cash deposits is considered to be minimal. However, such cash deposits are in excess of the \$100,000 Canada Deposit Insurance Corporation Insurance limit.

Accounts receivable are widely distributed and the Association performs regular credit assessments and provides allowances for potentially uncollectible accounts receivable.

14. Comparative amounts

The comparative amounts as at and for the year ended April 30, 2024 were audited by another accountant who expressed an unqualified opinion on these statements on September 12, 2024. Certain amounts from prior year have been reclassified to conform to the current year's presentation.