

British Columbia Amateur Softball Association
Financial Statements
For the year ended April 30, 2024

British Columbia Amateur Softball Association

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For the year ended April 30, 2024

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To the Members of British Columbia Amateur Softball Association:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of British Columbia Amateur Softball Association (the "Association"), 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 Association 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 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 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 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.

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 control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that, in our opinion, these principles, as disclosed in Note 2, have been applied on a consistent basis with that of the previous year.

Surrey, British Columbia

September 12, 2024



MNP LLP

Chartered Professional Accountants

British Columbia Amateur Softball Association

Statement of Financial Position

As at April 30, 2024

	2024	2023 <i>(Restated)</i>
Assets		
Current		
Cash	84,028	57,691
Accounts receivable	13,065	18,447
Inventory <i>(Note 3)</i>	9,524	23,050
Prepaid expenses	41,532	31,315
	148,149	130,503
Capital assets <i>(Note 4)</i>	8,316	11,807
Restricted term deposits <i>(Note 5)</i>	112,767	112,200
Restricted cash	78,201	70,779
	347,433	325,289
Liabilities		
Current		
Accounts payable and accruals	95,563	160,676
Government agencies payable	9,258	18,370
Unearned revenue	149,061	70,983
Deferred contributions <i>(Note 6)</i>	16,981	9,507
	270,863	259,536
Long-term debt	-	40,000
	270,863	299,536
Commitments <i>(Note 7)</i>		
Credit facility <i>(Note 8)</i>		
Net Assets		
Endowment <i>(Note 5)</i>	100,000	100,000
Internally restricted <i>(Note 9)</i>	90,698	82,978
Unrestricted	(114,128)	(157,225)
	76,570	25,753
	347,433	325,289
Approved on behalf of the Board of Directors		
 e-Signed by Lisa Parkes 2024-09-11 12:30:13:13 PDT	 e-Signed by Rachel Charles 2024-09-09 16:11:49:49 PDT	
Director	Director	

The accompanying notes are an integral part of these financial statements

British Columbia Amateur Softball Association

Statement of Operations

For the year ended April 30, 2024

	2024	2023 <i>(Restated)</i>
Revenue		
Membership fees	565,942	510,468
Grants and other	317,324	270,015
Programs and entry fees	163,202	180,025
Clinics	82,905	84,200
General	59,819	33,938
	1,189,192	1,078,646
Direct expenses		
Clinics	89,843	59,308
General	231,637	188,388
Tournaments and events	274,861	309,295
	596,341	556,991
Excess of revenue over direct expenses	592,851	521,655
General and administrative expenses		
Bad debts	-	3,484
General and administrative	115,105	109,469
Meetings and events	51,061	52,202
Membership and associations	32,000	44,609
Miscellaneous	166	318
Professional fees	30,985	17,405
Salaries and benefits	302,228	429,543
Training and education	2,430	2,584
Travel	8,059	14,231
	542,034	673,845
Excess (deficiency) of revenue over expenses	50,817	(152,190)

The accompanying notes are an integral part of these financial statements

British Columbia Amateur Softball Association
Statement of Changes in Net Assets

For the year ended April 30, 2024

	<i>Endowment</i>	<i>Internally restricted</i>	<i>Unrestricted</i>	2024	<i>2023</i>
Net assets, beginning of year	100,000	82,978	(157,225)	25,753	94,965
Prior year correction (Note 12)	-	-	-	-	82,978
Net assets, beginning of year, as restated	100,000	82,978	(157,225)	25,753	177,943
Excess (deficiency) of revenue over expenses	-	(12,745)	63,562	50,817	(152,190)
Fund transfer	-	20,465	(20,465)	-	-
Net assets, end of year	100,000	90,698	(114,128)	76,570	25,753

The accompanying notes are an integral part of these financial statements

British Columbia Amateur Softball Association

Statement of Cash Flows

For the year ended April 30, 2024

	2024	2023 <i>(Restated)</i>
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	50,817	(152,190)
Amortization	7,724	8,242
	58,541	(143,948)
Changes in working capital accounts		
Accounts receivable	5,382	(16,433)
Inventory	13,526	306
Prepaid expenses	(10,220)	(7,069)
Accounts payable and accruals	(65,110)	33,251
Government agencies payable	(9,112)	8,498
Unearned revenue	78,078	24,593
Deferred contributions	7,474	(20,692)
	78,559	(121,494)
Financing		
Repayment of long-term debt	(40,000)	-
Investing		
Purchase of capital assets	(4,233)	(4,938)
Increase in restricted cash and restricted term deposits	(7,989)	-
	(12,222)	(4,938)
Increase (decrease) in cash resources	26,337	(126,432)
Cash resources, beginning of year	57,691	184,123
Cash resources, end of year	84,028	57,691

The accompanying notes are an integral part of these financial statements

British Columbia Amateur Softball Association

Notes to the Financial Statements

For the year ended April 30, 2024

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 Society Act of 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 Organization 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.

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 - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

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 current purposes is included in restricted cash.

Inventory

Inventory consists of coaching materials, prizing and rulebooks and 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.

Capital assets

Purchased capital assets are comprised of office and computer equipment and are recorded at cost. 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 using the straight-line method. Leasehold improvements are amortized over the remaining life of the lease. Office equipment is amortized over five years, while computer equipment is amortized over three years.

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.

The Association recognizes registration fees, and program 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.

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 capital assets.

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.

British Columbia Amateur Softball Association

Notes to the Financial Statements

For the year ended April 30, 2024

2. Significant accounting policies (Continued from previous page)

Long-lived assets

Long-lived assets consist of capital assets. 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 service 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 materials 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

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures financial assets and liabilities at amortized cost.

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 (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when there are numerous assets affected by the same factors. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

British Columbia Amateur Softball Association

Notes to the Financial Statements

For the year ended April 30, 2024

3. Inventory

	2024	2023
Coaching materials	181	3,261
Prizes	6,194	17,104
Umpire materials	3,149	2,685
	9,524	23,050

The cost of inventories recognized as an expense and included in direct expenses amounted to \$52,709 (2023 – \$33,382).

4. Capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Equipment	1,519	928	591	1,097
Office and computer equipment	25,388	18,665	6,723	7,951
Leasehold improvements	19,698	18,696	1,002	2,759
	46,605	38,289	8,316	11,807

Amortization of \$7,724 (2023 - \$8,242) has been recognized as an expense and included in general and administrative expenses.

5. Restricted 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 4.10% per annum and has a maturity date of April 8, 2025. A second term deposit is held in the amount of \$12,767 and is part of the Minor Development Fund. This term deposit also earns interest at 4.10% per annum and has a maturity date of April 1, 2025. Investment income earned on the endowment fund is unrestricted. Management has invested the endowment funds in a cashable GIC term deposit.

6. 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. The funds do not have any restrictions of use attached to them. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made.

	Deferred Contributions as at May 1, 2023	Current Year Funding Received	Current Year Revenue Recognized	2024	2023
Province of British Columbia	9,507	5,000	(4,526)	9,981	9,507
Sponsorship revenue	-	7,000	-	7,000	-
	9,507	12,000	(4,526)	16,981	9,507

British Columbia Amateur Softball Association

Notes to the Financial Statements

For the year ended April 30, 2024

7. Commitments

The Association has entered into various lease agreements with estimated minimum annual payments as follows:

2025	30,856
2026	31,242
2027	21,113
2028	1,181
	84,392

8. Credit facility

The Association has access to an operating loan to a maximum of \$200,000 (2023 - \$200,000), bearing interest at the financial institution's prime rate plus 2.05% and is due on demand. The bank loan is collateralized by the restricted term deposit as described in Note 5, and a general security agreement. As at April 30, 2024, the amount outstanding was \$Nil (2023 - Nil).

9. Internally restricted

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

	2024	<i>2023 (Restated)</i>
Gordon MacDonald and Margo Thomas Memorial Fund	36,045	34,167
Minor Development Fund	41,851	36,195
Umpire Development Fund	12,802	12,616
	90,698	82,978

10. Remuneration

During the year, the Association had no employees that were paid more than \$75,000 (2023 - one employee). No directors received remuneration for their contribution to the governance or operations of the Association (2023 - no directors).

British Columbia Amateur Softball Association

Notes to the Financial Statements

For the year ended April 30, 2024

11. Financial instruments

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.

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 bank indebtedness and bank loan.

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.

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 Association's main credit risk relates to its accounts receivable. The Association believes that there is minimal risk associated with the collection of these amounts. Accounts receivable are widely distributed and the Association performs regular credit assessments and provides allowances for potentially uncollectible accounts receivable.

12. Correction of an error

During the year, the Association determined that internally restricted funds, as described in Note 9, were not being presented appropriately. The effects of this correction resulted in an increase in restricted cash and the presentation of the internally restricted net assets in the amount of \$82,978. The retroactive application of this correction of an error did not have a material impact on the results of operations and financial condition of the Association.

13. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.