

**British Columbia Amateur  
Softball Association  
Financial Statements**  
*For the year ended April 30, 2022*

**British Columbia Amateur  
Softball Association**  
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*For the year ended April 30, 2022*

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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, 2022, 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, 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. 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 23, 2022

*MNP LLP*

Chartered Professional Accountants

**British Columbia Amateur  
Softball Association**  
**Statement of Financial Position**  
*As at April 30, 2022*

	2022	2021
<b>Assets</b>		
<b>Current</b>		
Cash	184,123	134,343
Accounts receivable	2,014	15,392
Inventory (Note 3)	23,355	8,206
Prepaid expenses	24,247	7,722
	<b>233,739</b>	<b>165,663</b>
<b>Capital assets (Note 4)</b>	<b>15,111</b>	<b>10,569</b>
<b>Restricted term deposit (Note 5)</b>	<b>100,000</b>	<b>100,000</b>
	<b>348,850</b>	<b>276,232</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	127,424	53,442
Government agencies payable	9,872	7,400
Deferred contributions and unearned revenue (Note 7)	76,589	141,584
	<b>213,885</b>	<b>202,426</b>
<b>Long-term debt (Note 8)</b>	<b>40,000</b>	<b>40,000</b>
	<b>253,885</b>	<b>242,426</b>
<b>Commitments (Note 9)</b>		
<b>Net Assets</b>		
Endowment	100,000	100,000
Unrestricted	(5,035)	(66,194)
	<b>94,965</b>	<b>33,806</b>
	<b>348,850</b>	<b>276,232</b>
<b>Approved on behalf of the Board of Directors</b>		
e-Signed by Rachel Charles 2022-09-23 13:20:48:48 PDT	e-Signed by Lisa Parkes 2022-09-23 14:32:42:42 PDT	
<b>Director</b>	<b>Director</b>	

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, 2022*

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Membership fees	440,127	214,995
Grants and other	335,235	235,704
Programs and entry fees	100,189	30,600
Clinics	65,720	11,890
General	55,389	56,068
	<b>996,660</b>	<b>549,257</b>
<b>Direct expenses</b>		
Clinics	35,805	1,373
General	65,682	57,231
Tournaments and events	281,849	109,523
	<b>383,336</b>	<b>168,127</b>
<b>Excess of revenue over direct expenses</b>	<b>613,324</b>	<b>381,130</b>
<b>General and administrative expenses</b>		
Bad debts	90	-
General and administrative	119,830	83,137
Miscellaneous	204	707
Meetings and events	24,045	1,728
Membership and associations	37,952	18,125
Training and education	986	-
Professional fees	17,353	19,544
Salaries and benefits	409,548	339,970
Travel	-	45
	<b>610,008</b>	<b>463,256</b>
<b>Excess (deficiency) of revenue over expenses before government assistance</b>	<b>3,316</b>	<b>(82,126)</b>
<b>Government assistance</b> <i>(Note 10)</i>	<b>57,843</b>	<b>213,965</b>
<b>Excess of revenue over expenses</b>	<b>61,159</b>	<b>131,839</b>

*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, 2022*

	<i>Endowment</i>	<i>Unrestricted</i>	<b>2022</b>	<b>2021</b>
<b>Net assets, beginning of year</b>	<b>100,000</b>	<b>(66,194)</b>	<b>33,806</b>	<b>(98,033)</b>
<b>Excess of revenue over expenses</b>	<b>-</b>	<b>61,159</b>	<b>61,159</b>	<b>131,839</b>
<b>Net assets, end of year</b>	<b>100,000</b>	<b>(5,035)</b>	<b>94,965</b>	<b>33,806</b>

*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, 2022*

	<b>2022</b>	<b>2021</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	61,159	131,839
Amortization	10,174	8,354
	<b>71,333</b>	140,193
Changes in working capital accounts		
Accounts receivable	13,378	22,395
Inventory	(15,148)	(290)
Prepaid expenses	(16,525)	(112)
Accounts payable and accruals	73,982	(7,503)
Government agencies payable	2,471	(196)
Deferred contributions and unearned revenue	(64,995)	12,356
	<b>64,496</b>	166,843
<b>Financing</b>		
Long term debt	-	40,000
Repayment of bank loan	-	(85,000)
	-	(45,000)
<b>Investing</b>		
Purchase of capital assets	(14,716)	(2,492)
<b>Increase in cash resources</b>	<b>49,780</b>	119,351
<b>Cash resources, beginning of year</b>	<b>134,343</b>	14,992
<b>Cash resources, end of year</b>	<b>184,123</b>	134,343

*The accompanying notes are an integral part of these financial statements*



**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.

***Impact on operations of COVID-19 (Coronavirus)***

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world. Governments worldwide have enacted emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, self-imposed quarantine period and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The Association was required to limit certain of its activities due to the provincial sport restrictions and thus experienced decreased revenues. Some of this decrease was supplemented with COVID-19 relief funds. The extent and duration of the impact of COVID-19 remains unknown, it is anticipated that this outbreak may cause supply chain disruptions, staff shortages, and increased government regulations, all of which could negatively impact the Association's operations and financial condition.

**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:

***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.

2. **Significant accounting policies** *(Continued from previous page)*

***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.

***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.

***Government assistance***

Government assistance relating to loans is recognized at the time of the grant date when a portion of the loan agreement is forgivable and the Association continues to meet certain requirements specified at the time when the loan agreement was granted.

Government assistance relating to subsidies is recorded as revenue in the period to which the subsidy applies once there is reasonable assurance that the Association will meet the eligibility criteria, the government support will be received and the amount to be received is measurable.

***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 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.

**British Columbia Amateur  
Softball Association**  
**Notes to the Financial Statements**  
*For the year ended April 30, 2022*

**2. Significant accounting policies** *(Continued from previous page)*

**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 of revenue over expenses in the year the reversal occurs.

**3. Inventory**

	<b>2022</b>	<b>2021</b>
Coaching materials	<b>1,883</b>	3,216
Prizes	<b>17,943</b>	2,675
Umpire materials	<b>3,529</b>	2,315
	<b>23,355</b>	8,206

The cost of inventories recognized as an expense and included in direct expenses amounted to \$14,927 (2021 – \$1,755).

**4. Capital assets**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2022 Net book value</b>	<b>2021 Net book value</b>
Office and computer equipment	<b>26,312</b>	<b>15,716</b>	<b>10,596</b>	7,021
Leasehold improvements	<b>19,698</b>	<b>15,183</b>	<b>4,515</b>	3,548
	<b>46,010</b>	<b>30,899</b>	<b>15,111</b>	10,569

Amortization of \$10,174 (2021 - \$8,354) has been recognized as an expense and included in general and administrative expenses.

**5. Restricted term deposit**

The endowment contribution is subject to externally imposed restrictions to be maintained permanently. Investment income earned on the endowment fund is unrestricted. Management has invested the endowment funds in a cashable GIC term deposit. The term deposit earns interest at 0.80% and has a maturity date of January 21, 2023.

**British Columbia Amateur  
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**Notes to the Financial Statements**  
*For the year ended April 30, 2022*

**6. Bank loan**

The Association has access to an operating loan to a maximum of \$200,000 (2021 - \$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, 2022, the amount outstanding was \$Nil (2021 - Nil).

**7. Deferred contributions and unearned revenue**

Deferred contributions represent contributions from funding agencies that are externally restricted for the performance of services. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made.

Unearned revenue represents registration payments received in advance and are recognized into income over the registration term.

	<i>Deferred &amp; Unearned Revenue as at May 1, 2021</i>	<i>Current Year Funding Received</i>	<i>Current Year Revenue Recognized</i>	<i>2022</i>	<i>2021</i>
Province of British Columbia Grants	111,992	260,954	(347,748)	25,198	111,992
Unearned revenue	29,592	179,963	(158,164)	51,391	29,592
	141,584	440,917	(505,912)	76,589	141,584

**8. Long-term debt**

The Association received a \$60,000 loan under the Canada Emergency Business Account ("CEBA") program funded by the Government of Canada. The CEBA loan is non-interest bearing, can be repaid at any time without penalty and is valid until December 31, 2023. Up to 33.33% (maximum \$20,000) of the loan will be forgiven if repaid by December 31, 2023.

Government assistance received relating to acquiring the CEBA loan was recorded as described in the significant accounting policies note. The Association anticipates they will meet the loan forgiveness requirements.

**9. Commitments**

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

2023	32,065
2024	29,378
2025	19,778
2026	530
	81,751

**10. Government assistance**

In response to the economic strain caused by the COVID-19 pandemic, the Federal Government of Canada announced a number of programs designed to mitigate the financial impacts of the pandemic on Canadians and Canadian businesses. Eligibility requirements under these relief programs have evolved since first announced and can be subject to further legislative change or changes through the introduction of administrative positions as specific situations are contemplated. Additionally, because these programs are new, there is no benefit of historical precedent as an available reference point for interpretation.

During the year ended August 30, 2022, the Association received \$57,843 (2021 - \$213,965) in government assistance, including \$57,843 (2021 - \$193,965) from the Canada Emergency Wage Subsidy program and \$nil (2021 - \$20,000) relating to the forgivable portion of the Canada emergency business account loan.

**11. Remuneration**

During the year, the Association had no employees that were paid more than \$75,000 (2021 - nil). No directors received remuneration for their contribution to the governance or operations of the Association (2021 - nil).

**12. 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.

**13. Comparative figures**

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