

CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2017

(Unaudited)

*D. S. Rutherford Professional Corporation
Chartered Accountant*

REVIEW ENGAGEMENT REPORT

To the Members:

Calgary and District Amateur Softball Association

I have reviewed the statement of financial position of Calgary and District Amateur Softball Association as at December 31, 2017 and the statements of earnings and retained earnings and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which requires me to comply with the relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly we do not express an opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that these financial statements do not present fairly, in all material respects, the financial position of Calgary and District Softball Association as at December 31, 2017, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not- for- profit organizations.

D. S. Rutherford Professional Corp.

CHARTERED ACCOUNTANT

Calgary, Alberta
February 16, 2018

CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

BALANCE SHEET

December 31, 2017
(Unaudited)

	2017	2016
ASSETS		
CURRENT		
Cash	19,612	15,494
Restricted cash (Note 2)	<u>55,682</u>	30,209
Accounts receivable	4,694	3,602
Goods and services tax receivable	9,475	1,141
Inventory	2,313	3,053
Prepaid expenses and deposits	<u>4,127</u>	4,127
	<u>95,903</u>	57,626
PROPERTY AND EQUIPMENT (Note 3)	<u>95,903</u>	<u>57,626</u>
LIABILITIES		
CURRENT		
Bank indebtedness (Note 4)	2,100	2,100
Accounts payable and accruals	<u>47,000</u>	<u>29,110</u>
Deferred revenue	<u>49,100</u>	<u>31,210</u>
NET ASSETS		
EXTERNALLY RESTRICTED FUNDS	18,720	17,280
UNRESTRICTED	<u>28,083</u>	<u>9,136</u>
	<u>46,803</u>	<u>26,416</u>
	<u>95,903</u>	<u>57,626</u>

APPROVED ON BEHALF OF THE BOARD:

Director

Director

The accompanying notes are an integral part of these financial statements

*D. S. Rutherford Professional Corporation
Chartered Accountant*

CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS

For The Year Ended December 31, 2017
(Unaudited)

	Externally Restricted	Unrestricted	2017 Total	2016 Total
Balance, beginning of year	17,280	9,136	26,416	18,882
Transfer of funds	1,440	(1,440)	-	-
Excess of revenue over expenses	-	20,387	20,387	722
Balance, end of year	<u>18,720</u>	<u>28,083</u>	<u>46,803</u>	<u>26,416</u>

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

STATEMENT OF EARNINGS AND EXPENSES

For The Year Ended December 31, 2017
(Unaudited)

	2017	2016
REVENUE		
Interest and other	2,569	70
Leagues and diamonds	14,328	11,864
Memberships	86,100	92,130
Net programs, core programs (Schedule 1)	23,355	15,376
Net programs, fundraising (Schedule 2)	46,830	30,000
Sponsorship	<u>4,300</u>	<u>3,562</u>
	<u>177,482</u>	<u>153,002</u>
EXPENSES		
Amortization	-	1,097
Bank charges and interest	477	819
Business taxes, licenses and memberships	<u>1,464</u>	<u>2,605</u>
Equipment repairs and maintenance	-	642
Insurance	(334)	1,128
Meetings, board and league	1,598	2,019
Office and computer	<u>2,724</u>	<u>5,539</u>
Professional fees	2,100	2,100
Rent	26,353	26,243
Salaries, wages and benefits	<u>120,541</u>	<u>108,943</u>
Telephone	<u>2,172</u>	<u>1,145</u>
	<u>157,095</u>	<u>152,280</u>
NET EARNINGS FOR THE YEAR	<u>20,387</u>	<u>722</u>

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

STATEMENT OF CASH FLOWS

For The Year Ended December 31, 2017
(Unaudited)

	2017	2016
CASH PROVIDED BY (USED FOR) THE FOLLOWING		
OPERATING ACTIVITIES		
Cash receipts from activities	257,564	188,779
Cash paid to suppliers	(106,955)	(105,482)
Cash paid to employees	(120,541)	(108,943)
Interest received	-	70
Interest paid	(477)	(819)
	<u>29,591</u>	<u>(26,395)</u>
FINANCING ACTIVITIES		
Line of credit advances	-	17,000
Line of credit repayments	-	(22,000)
	<u>-</u>	<u>(5,000)</u>
INVESTING ACTIVITIES		
Decrease (increase) in restricted cash	(25,473)	45,696
INCREASE IN CASH RESOURCES	4,118	14,301
CASH BALANCE, BEGINNING OF YEAR	<u>15,494</u>	<u>1,193</u>
CASH BALANCE, END OF YEAR	<u>19,612</u>	<u>15,494</u>
CASH IS COMPRISED OF:		
Cash	<u>19,612</u>	<u>15,494</u>

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

SCHEDULE OF REVENUE AND EXPENSES – CORE PROGRAMS For The Year Ended December 31, 2017 (Unaudited)

Schedule 1						
	Cities	1st Pitch	Games Supplies	Centennial	2017 Total	2016 Total
Revenues	25,090		3,638	24,685	32,608	86,021

Expenses						
Balls	-		17,214		-	17,214
Insurance	850	-	-		-	850
Scorebooks	-		5,656		-	5,656
Supplies	10,493	1,141	-		-	10,633
Repairs and maintenance	-	-	22,345		5,656	14,803
Umpires	3,800	600	-		-	4,400
	15,143	1,741	22,870	23,345	62,099	65,847
Excess of revenue expenditures	9,947	1,897	1,815	10,263	23,922	15,376

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

SCHEDULE OF REVENUE AND EXPENSES - FUNDRAISING For the Year Ended December 31, 2017 (Unaudited)

Schedule 2

	2017	2016
REVENUE		
Gaming revenue	<u>49,043</u>	<u>30,000</u>
EXPENSES		
Advisor wages	<u>2,213</u>	-
NET GAMING REVENUE	<u>46,830</u>	<u>30,000</u>

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Unaudited)

NATURE OF OPERATIONS

The Association was incorporated on May 12, 1976 under the provisions of the Societies Act of the Province of Alberta. The Association is a non-profit organization representing members of the softball leagues operating in Calgary, Alberta.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on the basis of Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

Revenue recognition

Contributions are included in revenue in the year in which they are received or receivable, with the exception that contributions to fund a specific future period's operating expenses are included in revenue in that later period.

Donated assets

Donated assets, other than cash, have not been given accounting recognition.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a first in, first out method.

Amortization of Property and Equipment

Property and equipment are recorded at cost, net of any government assistance, and are being amortized on a straight-line basis over the following terms:

Computer hardware	4 years
Computer software	3 years
Office equipment	10 years
Furniture and fixtures	4 years
Telephone system	4 years

CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017
(Unaudited)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income taxes

The Association is a non-profit organization and is exempt from income taxes under Section 149(1)(l) of the Income Tax Act.

Deferred revenue

Deferred revenue consists of fees paid prior to December 31, 2017 and unexpended gaming funds. During the year \$30,000 of unexpended gaming funds were recognized as revenue.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 and 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. Amortization is based on the estimated useful lives of property and equipment. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known

Short term investments

Investments are classified as held for trading and recorded at fair market value.

2. RESTRICTED CASH

The Association maintains a number of separate bank accounts for the gaming fund activities. The balance in these gaming bank accounts is restricted as to the type of expenditure by the provision of the licenses obtained from the Provincial Government Gaming Authorities

CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Unaudited)

3. PROPERTY AND EQUIPMENT

	2017		2016		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization
Computer hardware	7,664	7,664	-	7,664	7,664
Telephone system	2,130	2,130	-	2,130	2,130
Furniture and fixtures	2,767	2,767	-	2,767	2,767
Leasehold					
Improvements	23,631	23,631	-	23,631	23,631
Office equipment	<u>42,992</u>	<u>42,992</u>	<u>-</u>	<u>42,992</u>	<u>42,992</u>
	<u>79,184</u>	<u>79,184</u>	<u>-</u>	<u>79,184</u>	<u>79,184</u>

4. BANK INDEBTEDNESS

A line of credit is available to a maximum of \$30,000 and bears interest at bank prime plus 2.5%. None of the line was in use at December 31, 2017. The line is reviewed annually.

6. COMMITMENTS

The Association has entered into a five-year lease commencing June 1, 2014 for its premises. The minimum annual lease payment will be \$ 1,011 per month and increasing annually to \$1,322 per month in the final year.

7. FINANCIAL INSTRUMENTS

Liquidity Risk

Liquidity is the risk that the Association will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Company's cash requirements. Additional cash requirements are met with the use of the available line of credit which provides flexibility in the short term to meet operational needs.

Credit Risk

Credit risk arises from the possibility that members will not fulfil their fee obligations. The Association mitigates the risk by performing its due diligence on the member leagues.

CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Unaudited)

7. FINANCIAL INSTRUMENTS *(continued)*

Interest Rate Risk

Interest rate risk arises from the possibility that cash flows related to financial instruments will fluctuate as the result of changes in market interest rates. The Association manages the risk by keeping its line of credit borrowings to a minimum.

8. EXTERNALLY RESTRICTED FUNDS

Under the terms of an agreement with the City of Calgary the Association is required to set aside an amount of \$1,440 each year to provide for life cycle maintenance of the ball diamonds at Centennial Park.