

INDEPENDENT PRACTITIONERS 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, 2020 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, 2020, 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.

Calgary, Alberta
March 26, 2021

CHARTERED PROFESSIONAL ACCOUNTANT

***D. S. Rutherford Professional Corporation
Chartered Professional Accountant***

CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2020

(Unaudited)

CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

BALANCE SHEET

December 31, 2020

(Unaudited)

	2020	2019
ASSETS		
CURRENT		
Cash	54,136	25,339
Restricted cash (Note 2)	6,982	44,631
Accounts receivable	56,304	757
Goods and services tax receivable	1,024	1,673
Inventory	1,043	1,991
	<u>119,489</u>	<u>74,391</u>
LIABILITIES		
CURRENT		
Bank indebtedness (Note 3)	40,000	-
Accounts payable and accruals	2,100	2,103
Employee deductions payable	31,309	7,362
Deferred revenue	56,304	16,789
	<u>129,723</u>	<u>26,254</u>
NET ASSETS		
EXTERNALLY RESTRICTED FUNDS	23,040	21,600
UNRESTRICTED	<u>(33,274)</u>	<u>26,537</u>
	<u>(10,234)</u>	<u>48,137</u>
	<u>119,489</u>	<u>74,391</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 Professional Accountant

CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS

For The Year Ended December 31, 2020

(Unaudited)

	<i>Externally Restricted</i>	<i>Unrestricted</i>	<i>2020 Total</i>	<i>2019 Total</i>
Balance, beginning of year	21,600	26,537	48,137	47,156
Transfer of funds	1,440	(1,440)	-	-
Excess of revenue over expenses	-	(58,371)	(58,371)	981
Balance, end of year	<u>23,040</u>	<u>(33,274)</u>	<u>(10,234)</u>	<u>48,137</u>

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

STATEMENT OF EARNINGS AND EXPENSES

For The Year Ended December 31, 2020

(Unaudited)

	2020	2019
REVENUE		
Interest and other	7,239	496
Leagues and diamonds	(2,901)	(178)
Memberships	2,625	80,250
Net programs, core programs (Schedule 1)	(3,109)	28,174
Net programs, fundraising (Schedule 2)	16,789	53,000
Sponsorship	1,500	5,800
	<u>22,143</u>	<u>167,542</u>
EXPENSES		
Bank charges and interest	721	1,254
Business taxes, licenses and memberships	242	884
Insurance	2,353	1,022
Meetings, board and league	1,440	1,273
Office and computer	4,526	6,825
Professional fees	2,000	2,100
Rent	1,200	12,238
Salaries, wages and benefits	63,126	136,141
Telephone	4,906	4,824
	<u>80,514</u>	<u>166,561</u>
NET EARNINGS (LOSS) FOR THE YEAR	<u>(58,371)</u>	<u>981</u>

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

STATEMENT OF CASH FLOWS For The Year Ended December 31, 2020 (Unaudited)

	2020	2019
CASH PROVIDED BY (USED FOR) THE FOLLOWING		
OPERATING ACTIVITIES		
Cash receipts from activities	33,309	236,455
Cash paid to suppliers	(18,314)	(71,165)
Cash paid to employees	(113,719)	(136,141)
Canada Emergency Wage Subsidy recovered	50,593	-
Interest paid	(721)	(1,254)
	<u>(48,852)</u>	<u>27,895</u>
FINANCING ACTIVITIES		
Short term borrowings	<u>40,000</u>	<u>-</u>
INVESTING ACTIVITIES		
Decrease (increase) in restricted cash	<u>37,649</u>	<u>(30,875)</u>
INCREASE IN CASH RESOURCES	28,797	(2,980)
CASH BALANCE, BEGINNING OF YEAR	<u>25,339</u>	<u>28,319</u>
CASH BALANCE, END OF YEAR	<u>54,136</u>	<u>25,339</u>
 CASH IS COMPRISED OF:		
Cash	<u>54,136</u>	<u>25,339</u>

The accompanying notes are an integral part of these financial statements

*D. S. Rutherford Professional Corporation
Chartered Professional Accountant*

CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

SCHEDULE OF REVENUE AND EXPENSES – CORE PROGRAMS

For The Year Ended December 31, 2020

(Unaudited)

Schedule 1

	Cities	1st Pitch	Games Supplies	Centennial	2020 Total	2019 Total
Revenues	-	-	20,890	2,550	23,440	81,987
Expenses						
Balls	-	-	21,058	-	21,058	18,503
Scorebooks	-	-	-	-	-	3,964
Supplies	-	-	-	-	-	12,030
Repairs and maintenance	-	-	-	5,491	5,491	15,896
Umpires	-	-	-	-	-	3,420
	-	-	21,058	5,491	26,549	53,813
Excess of revenue expenditures	-	-	(168)	(2,941)	(3,109)	28,174

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

SCHEDULE OF REVENUE AND EXPENSES - FUNDRAISING

For the Year Ended December 31, 2020

(Unaudited)

Schedule 2

	2020	2019
REVENUE		
Gaming revenue	<u>16,789</u>	<u>53,000</u>

The accompanying notes are an integral part of these financial statements

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Chartered Professional Accountant

CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

(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

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

(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, 2020 and unexpended gaming funds. During the year \$16,789 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.

3. BANK INDEBTEDNESS

A line of credit is available to a maximum of \$10,000 and bears interest at bank prime plus 6.45%. None of the line was in use at December 31, 2020. The line is reviewed annually.

In addition the Association has borrowed \$40,000 under the Canada Emergency Business Account (CEBA) program. This loan is interest free until December 31, 2022 and if \$30,000 is repaid by that date the other \$10,000 is forgiven, if not the full amount loan is converted to an interest bearing loan at that time.

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020
(Unaudited)

4. 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.

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.

5. 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.