

CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2019

(Unaudited)

*D. S. Rutherford Professional Corporation
Chartered Accountant*

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, 2019 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, 2019, 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 Prof. Corp.

CHARTERED ACCOUNTANT

Calgary, Alberta
February 19, 2020

*D. S. Rutherford Professional Corporation
Chartered Accountant*

CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

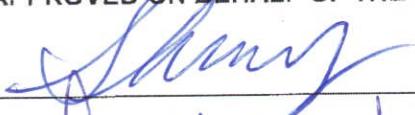
BALANCE SHEET

December 31, 2019

(Unaudited)

	2019	2018
ASSETS		
CURRENT		
Cash	25,339	28,319
Restricted cash (Note 2)	44,631	13,756
Accounts receivable	757	1,417
Goods and services tax receivable	1,673	1,324
Inventory	1,991	2,313
Prepaid expenses and deposits	-	4,127
	74,391	51,256
LIABILITIES		
CURRENT		
Bank indebtedness (Note 3)	2,103	2,100
Accounts payable and accruals	7,362	-
Employee deductions payable	16,789	2,000
Deferred revenue	26,254	4,100
	26,254	4,100
NET ASSETS		
EXTERNALLY RESTRICTED FUNDS	21,600	20,160
UNRESTRICTED	26,537	26,996
	48,137	47,156
	74,391	51,256

APPROVED ON BEHALF OF THE BOARD:


Shirley Gladballant 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, 2019
(Unaudited)

	Externally Restricted	Unrestricted	2019 Total	2018 Total
Balance, beginning of year	20,160	26,996	47,156	46,803
Transfer of funds	1,440	(1,440)	-	-
Excess of revenue over expenses	-	981	981	353
Balance, end of year	<u>21,600</u>	<u>26,537</u>	<u>48,137</u>	<u>47,156</u>

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

STATEMENT OF EARNINGS AND EXPENSES

For The Year Ended December 31, 2019
(Unaudited)

	2019	2018
REVENUE		
Interest and other	496	2,148
Leagues and diamonds	(178)	8,368
Memberships	80,250	82,950
Net programs, core programs (Schedule 1)	28,174	19,842
Net programs, fundraising (Schedule 2)	53,000	44,981
Sponsorship	5,800	5,800
	<u>167,542</u>	<u>164,089</u>
EXPENSES		
Bank charges and interest	1,254	722
Business taxes, licenses and memberships	884	322
Insurance	1,022	2,658
Meetings, board and league	1,273	2,087
Office and computer	6,825	3,648
Professional fees	2,100	2,100
Rent	12,238	25,754
Salaries, wages and benefits	136,141	124,217
Telephone	4,824	2,228
	<u>166,561</u>	<u>163,736</u>
NET EARNINGS FOR THE YEAR	<u>981</u>	<u>353</u>

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

STATEMENT OF CASH FLOWS For The Year Ended December 31, 2019 (Unaudited)

	2019	2018
CASH PROVIDED BY (USED FOR) THE FOLLOWING		
OPERATING ACTIVITIES		
Cash receipts from activities	236,455	183,772
Cash paid to suppliers	(71,165)	(92,052)
Cash paid to employees	(136,141)	(124,217)
Interest paid	(1,254)	(722)
	<u>27,895</u>	<u>(33,219)</u>
INVESTING ACTIVITIES		
Decrease (increase) in restricted cash	(30,875)	41,926
INCREASE IN CASH RESOURCES	(2,980)	8,707
CASH BALANCE, BEGINNING OF YEAR	<u>28,319</u>	19,612
CASH BALANCE, END OF YEAR	<u>25,339</u>	28,319
CASH IS COMPRISED OF:		
Cash	<u>25,339</u>	28,319

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

SCHEDULE OF REVENUE AND EXPENSES – CORE PROGRAMS For The Year Ended December 31, 2019 (Unaudited)

Schedule 1

	Cities	1st Pitch	Games Supplies	Centennial	2019 Total	2018 Total
Revenues						
	23,649	–	23,225	35,113	81,987	72,613
Expenses						
Balls	–	–	18,503	–	18,503	16,285
Scorebooks	–	–	3,964	–	3,964	4,169
Supplies	12,030	–	–	–	12,030	5,465
Repairs and maintenance	–	–	–	15,896	15,896	23,014
Umpires	3,420	–	–	–	3,420	3,838
	15,450	–	22,467	15,896	53,813	52,771
Excess of revenue expenditures						
	8,199	–	758	19,217	28,174	19,842

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

SCHEDULE OF REVENUE AND EXPENSES - FUNDRAISING For the Year Ended December 31, 2019 (Unaudited)

Schedule 2

	2019	2018
REVENUE		
Gaming revenue	<u>53,000</u>	45,000
EXPENSES		
Advisor wages	—	19
NET GAMING REVENUE	<u>53,000</u>	44,981

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

(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, 2019

(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, 2019 and unexpended gaming funds. During the year \$53,000 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.

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, 2019. The line is reviewed annually.

CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019
(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.