

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, 2021 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, 2021, 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 7, 2022

CHARTERED PROFESSIONAL ACCOUNTANT

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

CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2021

(Unaudited)

CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

BALANCE SHEET

December 31, 2021
(Unaudited)

	2021	2020
ASSETS		
CURRENT		
Cash	28,947	54,136
Restricted cash (Note 2)	20,240	6,982
Accounts receivable	-	56,304
Goods and services tax receivable	2,195	1,024
Inventory	1,043	1,043
	<u>52,425</u>	<u>119,489</u>
LIABILITIES		
CURRENT		
Bank indebtedness (Note 3)	40,000	40,000
Accounts payable and accruals	2,100	2,100
Employee deductions payable	7,623	31,319
Deferred revenue	-	56,304
	<u>49,723</u>	<u>129,723</u>
NET ASSETS		
EXTERNALLY RESTRICTED FUNDS	24,480	23,040
UNRESTRICTED	<u>(21,778)</u>	<u>(33,274)</u>
	<u>2,702</u>	<u>(10,234)</u>
	<u>52,425</u>	<u>119,489</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, 2021

(Unaudited)

	<i>Externally Restricted</i>	<i>Unrestricted</i>	<i>2021 Total</i>	<i>2020 Total</i>
Balance, beginning of year	23,040	(33,274)	(10,234)	48,137
Transfer of funds	1,440	(1,440)	-	-
Excess of revenue over expenses	-	12,936	12,936	(58,371)
Balance, end of year	<u>24,480</u>	<u>(21,778)</u>	<u>2,702</u>	<u>(10,234)</u>

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

STATEMENT OF EARNINGS AND EXPENSES

For The Year Ended December 31, 2021

(Unaudited)

	2021	2020
REVENUE		
Interest and other	15,104	7,239
Leagues and diamonds	11,336	(2,901)
Memberships	50,050	2,625
Net programs, core programs (Schedule 1)	(7,842)	(3,109)
Net programs, fundraising (Schedule 2)	56,303	16,789
Sponsorship	-	1,500
	<u>124,951</u>	<u>22,143</u>
EXPENSES		
Bank charges and interest	885	721
Business taxes, licenses and memberships	131	242
Insurance	(248)	2,353
Meetings, board and league	237	1,440
Office and computer	6,575	4,526
Professional fees	1,900	2,000
Rent	1,234	1,200
Salaries, wages and benefits	96,006	63,126
Telephone	5,295	4,906
	<u>112,015</u>	<u>80,514</u>
NET EARNINGS FOR THE YEAR	<u>12,936</u>	<u>(58,371)</u>

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

STATEMENT OF CASH FLOWS For The Year Ended December 31, 2021 (Unaudited)

	2021	2020
CASH PROVIDED BY (USED FOR) THE FOLLOWING		
OPERATING ACTIVITIES		
Cash receipts from activities	194,108	33,196
Cash paid to suppliers	(109,150)	(18,314)
Cash paid to employees	(135,275)	(113,719)
Canada Emergency Wages Subsidy recovered	39,261	50,593
Interest paid	(875)	(721)
	<u>(11,931)</u>	<u>(48,965)</u>
FINANCING ACTIVITIES		
Short term borrowings	<u>-</u>	<u>40,000</u>
INVESTING ACTIVITIES		
Decrease (increase) in restricted cash	<u>(13,258)</u>	<u>37,762</u>
INCREASE IN CASH RESOURCES	(25,189)	28,797
CASH BALANCE, BEGINNING OF YEAR	<u>54,136</u>	<u>25,339</u>
CASH BALANCE, END OF YEAR	<u>28,947</u>	<u>54,136</u>
CASH IS COMPRISED OF:		
Cash	<u>28,947</u>	<u>54,136</u>

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

SCHEDULE OF REVENUE AND EXPENSES – CORE PROGRAMS

For The Year Ended December 31, 2021

(Unaudited)

Schedule 1

	Cities	1st Pitch	Games Supplies	Centennial	2021 Total	2020 Total
Revenues	-	-	15,912	8,025	23,937	23,440
Expenses						
Balls	-	-	15,776	-	15,776	21,058
Scorebooks	-	-	3,772	-	3,772	-
Supplies	-	-	-	-	-	-
Repairs and maintenance	-	-	-	12,231	12,231	5,491
Umpires	-	-	-	-	-	-
	-	-	19,548	12,231	31,779	26,549
Excess of revenue expenditures	-	-	(3,636)	(4,206)	(7,842)	(3,109)

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

SCHEDULE OF REVENUE AND EXPENSES - FUNDRAISING

For the Year Ended December 31, 2021

(Unaudited)

Schedule 2

	2021	2020
REVENUE		
Gaming revenue	<u>56,303</u>	<u>16,789</u>

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CALGARY AND DISTRICT AMATEUR SOFTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

(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, 2021

(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, 2021 and unexpended gaming funds. During the year \$56,303 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, 2021. The line is reviewed annually.

In addition the Association has borrowed \$40,000 under the Canada Emergency Business Account (CEBA) program. If this loan is interest free until December 31, 2023 and if it is repaid by that time 25% of this amount (\$10,000) is forgiven. If not it 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, 2021

(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.