

Financial Statements of

B.C. Amateur Baseball Association

For the year ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members and Directors of B.C. Amateur Baseball Association:

Qualified Opinion

We have audited the accompanying financial statements of B.C. Amateur Baseball Association (the "Association"), which comprise the statement of financial position as at March 31, 2024, the statement of changes in net assets, the statement of operations, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2024 and its results of operations, and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from membership and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether, as at and for the year ended March 31, 2024, any adjustments might be necessary to membership, fundraising and product sales revenues, excess (deficiency) of revenues over expenses, current assets and net assets.

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 qualified opinion.

Responsibilities of Management and Those Charged with Governance 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 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 controls that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by The Societies Act (British Columbia), we report that, in our opinion, these financial statements are prepared on a basis consistent with that of the previous year.

WL & Company
Chartered Professional Accountants
Vancouver, BC
June 24, 2024

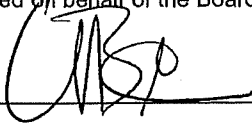
B.C. Amateur Baseball Association

Statement of Financial Position
As at March 31, 2024

	2024			2023	
	Operating Fund	Gaming Fund	Total	Total	
Assets					
Current assets					
Cash and cash equivalents	\$ 414,962	\$ 329	\$ 415,291	\$	450,306
Accounts receivable	70,099	-	70,099		42,207
Prepaid expenses	2,536	-	2,536		75,848
Total Assets	\$ 487,597	\$ 329	\$ 487,926	\$	568,361
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	\$ 17,737	\$ -	\$ 17,737	\$	21,190
Government loans (Note 2)	-	-	-		39,299
	17,737	-	17,737		60,489
Net Assets					
Unrestricted	419,860	-	419,860		452,943
Internally restricted (Note 5)	50,000	-	50,000		50,000
Externally restricted	-	329	329		4,929
	469,860	329	470,189		507,872
Total Liabilities and Net Assets	\$ 487,597	\$ 329	\$ 487,926	\$	568,361

Commitments (Note 4)

Approved on behalf of the Board:



Director

ACTING PRESIDENT/VP



Director

TREASURER

See accompanying notes to the financial statements.

B.C. Amateur Baseball Association

Statement of Changes in Net Assets
 For the year ended March 31, 2024

	2024			2023	
	Unrestricted	Internally restricted	Externally restricted	Total	Total
Net Assets, beginning of year	\$ 452,943	\$ 50,000	\$ 4,929	\$ 507,872	\$ 552,083
Deficiency of revenues over expenses	(33,083)	-	(4,600)	(37,683)	(44,211)
Net Assets, end of year	\$ 419,860	\$ 50,000	\$ 329	\$ 470,189	\$ 507,872

See accompanying notes to the financial statements.

B.C. Amateur Baseball Association

Statement of Operations

For the year ended March 31, 2024

	2024			2023
	Operating Fund	Gaming Fund	Total	Total
Revenues				
Government funding and fundraising (Note 3)	\$ 164,455	\$ 385,580	\$ 550,035	\$ 547,500
Membership and insurance	70,856	-	70,856	64,458
Athlete development	294,123	-	294,123	278,208
Sport development	54,997	-	54,997	83,096
Participation development	76,449	-	76,449	65,495
Administration	28,163	-	28,163	13,794
	689,043	385,580	1,074,623	1,052,551
Expenses				
Government funding and fundraising	19,402	80,449	99,851	94,463
Membership and insurance	73,344	-	73,344	65,988
Athlete development	193,302	169,436	362,738	428,331
Sport development	34,255	56,661	90,916	59,298
Participation development	401	47,932	48,333	41,408
Administration	401,422	35,702	437,124	407,274
	722,126	390,180	1,112,306	1,096,762
Deficiency of revenues over expenses	\$ (33,083)	\$ (4,600)	\$ (37,683)	\$ (44,211)

See accompanying notes to the financial statements.

B.C. Amateur Baseball Association

Statement of Cash Flows

For the year ended March 31, 2024

	2024	2023
Operating activities		
Deficiency of revenues over expenses	\$ (37,683)	\$ (44,211)
Item not affecting cash		
Fair market value adjustment on government loans	701	702
Net changes in inventory, operating receivables and payables		
Accounts receivable	(27,892)	(34,689)
Inventory	-	4,536
Prepaid expenses	73,312	(61,677)
Accounts payable and accrued liabilities	(3,453)	8,359
	4,985	(126,980)
Deferred revenue	-	(61,888)
Financing activity		
Repayment of government loans	(40,000)	-
Decrease in cash	(35,015)	(188,868)
Cash and cash equivalents, beginning of year	450,306	639,174
Cash and cash equivalents, end of year	\$ 415,291	\$ 450,306

Cash and cash equivalents consist of:

	2024	2023
Cash	\$ 114,028	\$ 99,324
Term deposits	251,263	300,982
Term deposit for litigation reserve (Note 5)	50,000	50,000
	\$ 415,291	\$ 450,306

See accompanying notes to the financial statements.

B.C. Amateur Baseball Association

Notes to the Financial Statements

For the year ended March 31, 2024

Nature of operations

B.C. Amateur Baseball Association (the "Association") is a not-for-profit sport organization representing amateur baseball in the Province of British Columbia. The Association was incorporated pursuant to The Societies Act (British Columbia) on June 2, 1969. The Association's mandate includes the provision of coach and athlete development programs designed to improve the quality of baseball through the provincial delivery system.

The Association derives a substantial portion of its funding from programs initiated by the Provincial Government to promote the sport of baseball. The use of such funds is specified by the B.C. Gaming Commission and is accounted for within a separate fund titled the "Gaming Fund". The "Gaming Fund" forms a part of these financial statements.

Expenses incurred in excess of the available gaming funds in a fiscal year are charged to the "Operating Fund".

1. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations in Part III of the CPA Canada Handbook. The Association's significant accounting policies are as follows:

Basis of presentation

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Association, the accounts are maintained on a fund accounting basis. Two funds are maintained – Operating Fund and Gaming Fund.

- (i) The Operating Fund is used to account for all revenues and expenses related to general and ancillary operations of the Association.
- (ii) The Gaming Fund is comprised of restricted funds, the use of which is specified by the B.C. Gaming Commission.

These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Directors.

The Association classifies its expenses in the statement of operations by programs.

Revenue recognition

The Association follows the deferral method of accounting for restricted contributions.

Government funding and other restricted program funding are recorded when the related expenses are incurred. Where a portion of such funding relates to a future period, it is deferred and recognized in the period in which the related expenses are incurred.

Revenues from fundraising, membership and insurance, athlete development, sport development, participation development and administration are recognized as revenues in the year when received and receivable if the amount can be reasonably estimated and collection is reasonably assured. Amounts received for events occurring in the next fiscal year are deferred and recognized as revenue once the events have occurred.

B.C. Amateur Baseball Association

Notes to the Financial Statements

For the year ended March 31, 2024

1. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include term deposits that are readily convertible to cash. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

Contributed goods and services

Periodically, contributions in kind are made to the Association. As well, volunteers may contribute time to assist the Association in carrying out its service delivery activities. Due to the difficulty in determining the fair value of both of these types of contributions, they are not recognized in these financial statements.

Allocation of expenses

The Association presents its expenses by programs. The costs of each program include the costs of personnel, administration and support services that are directly related to providing the program. The Association allocates salary and wages expenses to certain programs in accordance with the conditions established by the Ministry of Municipal Affairs regarding the use of Community Gaming Grants.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting periods. Significant items subject to such estimates and assumptions include accrued liabilities. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Financial instruments

Financial instruments are initially recorded at fair value and subsequently measured at amortized cost. Financial assets are tested periodically for impairment when there are indicators of impairment. The amount of any write-down is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of any reversal is recognized in the statement of operations.

2. Government loans

In April 2021, the Association obtained bank loans in the amount of \$60,000 under the Federal Government's Canada Emergency Business Account (CEBA) program. Under this program, the loan is interest-free and if repayment of the loan is made by the extended deadline of January 18, 2024, \$20,000 will be forgiven. The funds from this loan can only be used to pay non-deferrable operating expenses of the business. The loans were fully repaid during the fiscal year 2024.

B.C. Amateur Baseball Association

Notes to the Financial Statements

For the year ended March 31, 2024

3. Government funding and fundraising

Government funding and fundraising includes the following:

	<u>2024</u>	<u>2023</u>
<u>Government funding</u>		
Community gaming grant from the Province of British Columbia	\$ 177,000	\$ 137,000
Add: Deferred portion from the prior year	<u>-</u>	<u>48,288</u>
	177,000	185,288
Grants from ViaSport British Columbia Society	<u>164,455</u>	<u>164,455</u>
	<u>341,455</u>	<u>349,743</u>
<u>Fundraising</u>		
50/50 Draw	<u>208,580</u>	<u>197,757</u>
Total	<u>\$ 550,035</u>	<u>\$ 547,500</u>

4. Commitments

The Association has entered into operating leases for its premises. The minimum annual payments for the premises over the remaining terms of the leases are as follows:

Fiscal year ended	
March 31, 2025	\$ 19,600
March 31, 2026	20,700
March 31, 2027	21,800
March 31, 2028	21,900
March 31, 2029	<u>1,800</u>
	<u>\$ 85,800</u>

5. Litigation reserve

The Association has determined to set aside a fund available for any unforeseen legal liabilities that may arise in the future. During the fiscal year 2023, the Association's Board of Directors had approved to internally restrict \$50,000 as a litigation reserve.

6. Management of capital

The Association's objective when managing capital is to safeguard the Association's ability to continue operations on an ongoing basis.

The Association manages the capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Association may repay bank indebtedness, if applicable.

B.C. Amateur Baseball Association

Notes to the Financial Statements For the year ended March 31, 2024

7. Income taxes

The Association is a non-profit organization as defined in Section 149 of the Income Tax Act. Accordingly, it is not subject to income taxes.

8. Financial instruments and risk factors

Financial risks

The Association is exposed to a variety of financial risks arising from financial instruments. The following analysis describes the Association's significant risk exposures as at March 31, 2024.

The Association has the overall responsibility to identify, analyze and manage risks faced by the Association. It is management's opinion that the exposures to financial risks from financial instruments is not significant.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Association's main credit risk relates to its cash deposits at the bank and accounts receivable.

The Association places its cash deposits with a single financial institution. Deposits are in a major chartered bank and accordingly, credit risk with respect to cash deposits is considered to be minimal. However, such cash deposits are in excess of the \$100,000 Canada Deposit Insurance Corporation Insurance limit.

For the fiscal year ended March 31, 2024, government funding accounted for approximately 51% (2023 – 52%) of the Association's revenues.

(b) Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet a demand for cash or fund its obligations as they come due. The Association meets its liquidity requirements by monitoring cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

9. Remuneration and benefits

Remuneration and benefits included in administration expenses in the statement of operations is the total amount of \$95,709 (2023 - \$81,480) paid to the Executor Director in the current fiscal year.