

CANADIAN FEDERATION OF AMATEUR BASEBALL

FINANCIAL STATEMENTS

MARCH 31, 2014

INDEPENDENT AUDITORS' REPORT

To the Members,

Canadian Federation of Amateur Baseball:

We have audited the accompanying financial statements of the Canadian Federation of Amateur Baseball, which comprise the balance sheet as at March 31, 2014, and the statements of revenue and expenditure and net assets 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 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

In common with similar organizations, the Federation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Federation and we were not able to determine whether any adjustments might be necessary to revenue, net revenue for the year, assets and net assets.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Canadian Federation of Amateur Baseball as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants

Ottawa, Ontario

June 25, 2014

CANADIAN FEDERATION OF AMATEUR BASEBALL

BALANCE SHEET
AS AT MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT		
Cash	\$ 924,441	\$ 606,590
Investments (note 4)	265,224	170,000
Accounts receivable	57,174	101,591
Inventory	50,604	43,425
Prepaid expenses	<u>16,976</u>	<u>60,427</u>
	<u>\$ 1,314,419</u>	<u>\$ 982,033</u>
CURRENT LIABILITIES		
Accounts payable	\$ 117,771	\$ 73,061
Government remittances payable	13,840	12,581
Deferred revenue (note 6)	<u>135,174</u>	<u>47,269</u>
	<u>266,785</u>	<u>132,911</u>
NET ASSETS		
Alumni Fund	297,377	225,714
Unrestricted	<u>750,257</u>	<u>623,408</u>
	<u>1,047,634</u>	<u>849,122</u>
	<u>\$ 1,314,419</u>	<u>\$ 982,033</u>

Approved on behalf of the Board:



Director

Director



CANADIAN FEDERATION OF AMATEUR BASEBALL

STATEMENT OF REVENUE AND EXPENDITURE AND NET ASSETS FOR THE YEAR ENDED MARCH 31, 2014

	<u>Alumni Fund</u>	<u>Unrestricted</u>	<u>2014</u>	<u>2013</u>
REVENUE				
Athlete program	\$ -	\$ 1,156,283	\$ 1,156,283	\$ 1,068,586
Coach development program	-	276,741	276,741	229,458
Donations	71,663	-	71,663	37,054
Events program	-	340,734	340,734	313,326
Umpire development program	-	47,428	47,428	45,890
Corporate	-	650,530	650,530	616,689
Participation fees	-	90,000	90,000	90,000
	<u>71,663</u>	<u>2,561,716</u>	<u>2,633,379</u>	<u>2,401,003</u>
EXPENDITURE				
Athlete program	-	1,046,588	1,046,588	980,729
Coach development program	-	223,283	223,283	186,690
Events program	-	414,697	414,697	424,322
Umpire development program	-	39,854	39,854	24,332
Corporate	-	710,445	710,445	692,494
	<u>-</u>	<u>2,434,867</u>	<u>2,434,867</u>	<u>2,308,567</u>
NET REVENUE FOR THE YEAR	71,663	126,849	198,512	92,436
Balance - beginning of year	<u>225,714</u>	<u>623,408</u>	<u>849,122</u>	<u>756,686</u>
BALANCE - END OF YEAR	\$ <u>297,377</u>	\$ <u>750,257</u>	\$ <u>1,047,634</u>	\$ <u>849,122</u>

CANADIAN FEDERATION OF AMATEUR BASEBALL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES		
Net revenue for the year	\$ 198,512	\$ 92,436
Net change in non-cash working capital items		
Accounts receivable	44,417	(32,639)
Inventory	(7,179)	(23,142)
Prepaid expenses	43,451	42,903
Accounts payable	44,710	5,359
Government remittances payable	1,259	282
Deferred revenue	87,905	30,269
	<u>413,075</u>	<u>115,468</u>
INVESTING ACTIVITIES		
Purchase of investments	(265,224)	(170,000)
Sale of investments	170,000	170,000
	<u>(95,224)</u>	<u>-</u>
INCREASE IN CASH FOR THE YEAR	317,851	115,468
Cash - beginning of year	<u>606,590</u>	<u>491,122</u>
CASH - END OF YEAR	<u>\$ 924,441</u>	<u>\$ 606,590</u>

CANADIAN FEDERATION OF AMATEUR BASEBALL

SCHEDULE OF UNRESTRICTED REVENUE BY SOURCE FOR THE YEAR ENDED MARCH 31, 2014

	Budget (note 7)	2014	2013
Sport Canada contributions			
Administration, meetings and staff	\$ 414,000	\$ 432,000	\$ 374,780
Officials	4,000	4,000	4,000
Domestic sport	70,000	70,000	80,000
National championships	13,000	63,000	10,000
National team	467,000	467,000	491,220
Women's program	55,000	55,000	40,000
	<u>1,023,000</u>	<u>1,091,000</u>	<u>1,000,000</u>
Other contributions			
Coaching Association of Canada	32,000	43,000	30,660
Sponsorships	347,100	337,711	266,040
Goods in kind	243,872	207,962	207,962
	<u>622,972</u>	<u>588,673</u>	<u>504,662</u>
Miscellaneous			
Sales	193,831	186,392	261,828
Provincial affiliation fees	50,000	49,999	49,996
Membership fees	90,000	90,000	182,281
National championships	37,000	21,000	26,000
Interest and exchange	3,225	5,838	8,712
Team exhibition games	117,375	170,713	111,778
Certification fees	168,135	161,035	132,117
Coaching clinic fees	52,000	97,345	-
Challenger	-	16,000	-
Alumni	60,000	83,721	86,575
	<u>771,566</u>	<u>882,043</u>	<u>859,287</u>
	<u>\$ 2,417,538</u>	<u>\$ 2,561,716</u>	<u>\$ 2,363,949</u>

CANADIAN FEDERATION OF AMATEUR BASEBALL

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2014

1. PURPOSE OF THE ORGANIZATION

Baseball Canada is dedicated, through collaborative leadership, to develop, promote and deliver ethical athlete centred programs which allow individuals to maximize their potential.

The organization is incorporated under the Canada Corporations Act as a not-for-profit organization and is a Registered Canadian Amateur Athletic Association under the Income Tax act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the reporting period. Actual results may differ from those estimates.

b) Alumni Fund

The Alumni Fund receives donations that are restricted in their use to the Men's National team program. The High Performance Committee makes recommendations to the Board of Directors for any use of the funds.

c) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined on the average cost basis.

d) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditure is incurred. Unrestricted contributions are recognized as revenue when they are received or become receivable. Other revenues are recognized in the year in which the event is held or the revenue earned.

e) Contributed goods

The organization records the value of donated materials and services when a fair value can be reasonably estimated and when the materials and services would normally be purchased by the organization. Contributed goods are recorded at their fair value of \$207,962 (2012 - \$207,962).

f) Sport Canada contributions

Contributions received from Sport Canada are subject to specific terms and conditions regarding the expenditure of the funds. The organization's records are subject to audit by Sport Canada to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which, therefore, would be refundable to Sport Canada. Adjustments to prior years' contributions are recorded in the year in which Sport Canada requests the adjustment.

g) Financial instruments

Financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment.

CANADIAN FEDERATION OF AMATEUR BASEBALL

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2014

3. FINANCIAL INSTRUMENTS

Financial instruments of the organization consist of cash, investments, accounts receivable, accounts payable and government remittances payable.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the carrying amount of the financial instruments approximate their fair value.

4. INVESTMENTS

The organization has investment certificates that earn interest at annual rates that range from 1.55% to 1.9% and mature between December 2014 and August 2015.

5. COMMITMENT

The organization has leased premises to October 14, 2014 at approximately \$37,000 per annum.

6. DEFERRED REVENUE

Deferred revenue represents revenue received relating to next year as follows:

	<u>2014</u>	<u>2013</u>
Athlete program	\$ 97,745	\$ 30,000
Coach development program	<u>37,429</u>	<u>17,269</u>
	<u>\$ 135,174</u>	<u>\$ 47,269</u>

Deferred revenue changed as follows:

	<u>2014</u>	<u>2013</u>
Balance - beginning of year	\$ 47,269	\$ 17,000
Less - amount recognized as revenue in the year	(47,269)	(17,000)
Plus - amount received related to following year	<u>135,174</u>	<u>47,269</u>
Balance - end of year	<u>\$ 135,174</u>	<u>\$ 47,269</u>

7. BUDGET

The budget figures have not been audited and are presented for comparison purposes only.