

BRAMPTON MINOR BASEBALL INC

FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Brampton Minor Baseball Inc

We have audited the accompanying financial statements of Brampton Minor Baseball Inc, which comprise the statement of financial position as at September 30, 2017, and the statement of changes in net assets, the statements of receipts and disbursements and the statement of 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.

Auditor's 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Brampton Minor Baseball Inc as at September 30, 2017, 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.

Oakville, Ontario
March 28, 2018

Allworth + Associates
ALLWORTH & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS



BRAMPTON MINOR BASEBALL INC

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
Current		
Cash	\$ 152,748	\$ 179,283
Term deposits - note 2	204,433	202,516
Accounts receivable	2,553	5,016
Prepaid expenses	<u>5,843</u>	<u>-</u>
	365,577	386,815
Investment in Ontario Baseball Academy	<u>10</u>	<u>10</u>
	<u>\$ 365,587</u>	<u>\$ 386,825</u>
LIABILITIES		
Current		
Accounts payable - note 3	\$ 15,584	\$ 58,740
NET ASSETS		
Internally restricted net assets	\$ 22,657	\$ 9,911
Unrestricted net assets	<u>327,346</u>	<u>318,174</u>
	<u>350,003</u>	<u>328,085</u>
	<u>\$ 365,587</u>	<u>\$ 386,825</u>

Approved on behalf of the Board of Directors:

 Director
 Director

BRAMPTON MINOR BASEBALL INC
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Internally Restricted</u>	<u>Unrestricted</u>	<u>2017</u>	<u>2016</u>
Net assets - beginning	\$ 9,911	\$ 318,174	\$ 328,085	\$ 249,109
Excess of receipts over disbursements	<u>12,746</u>	<u>9,172</u>	<u>21,918</u>	<u>78,976</u>
Net assets	<u>\$ 22,657</u>	<u>\$ 327,346</u>	<u>\$ 350,003</u>	<u>\$ 328,085</u>

BRAMPTON MINOR BASEBALL INC

OPERATING FUND

STATEMENT OF RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Recreational league	\$ 226,956	\$ 230,635
Rep team	113,205	114,700
Select league	51,600	18,505
Sponsorship	37,579	36,755
Tournament	57,272	66,887
Interest	1,932	2,142
Store-shed and equipment sales	10,496	11,417
Registration discount	(1,315)	(1,135)
Other income	-	19,681
	<u>497,725</u>	<u>499,587</u>
Expenses		
Advertising and promotion	-	1,870
Bank charges	8,263	5,748
Clinics - development	6,403	3,999
Coaches umpire certification	(1,477)	313
Diamond rentals	80,102	83,896
Equipment	35,905	26,394
Facility occupancy	14,790	14,295
Fees & charges	5,750	5,700
Foreign exchange (gain) loss	(4,565)	1,071
General & administration	14,943	19,638
Goods for sale by shed	-	4,098
Insurance	6,494	7,055
Office	831	1,319
Pictures	7,349	6,531
Telephone	3,513	3,711
Tournaments	3,311	4,554
Trophies	16,659	19,125
Umpire	96,618	90,567
Uniforms	192,037	111,386
Workout facility rental	1,627	1,863
	<u>488,553</u>	<u>413,133</u>
Excess of receipts over disbursements	\$ <u>9,172</u>	\$ <u>86,454</u>

BRAMPTON MINOR BASEBALL INC

INTERNALLY RESTRICTED FUNDS

STATEMENT OF RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Dave Dash Tournament		Rep National Fund		College Placement Fund		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Registration fees	\$ 14,384	\$ 15,619	\$ 10,400	\$ 10,686	\$ -	\$ -	\$ 24,784	\$ 26,305
Tournament costs	8,958	11,629	3,080	12,436	-	-	12,038	24,065
Donations	<u>-</u>	<u>9,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,718</u>
Total disbursements	<u>8,958</u>	<u>21,347</u>	<u>3,080</u>	<u>12,436</u>	<u>-</u>	<u>-</u>	<u>12,038</u>	<u>33,783</u>
Excess (deficiency) of receipts over disbursements	5,426	(5,728)	7,320	(1,750)	-	-	12,746	(7,478)
Opening fund balance	<u>3,990</u>	<u>9,718</u>	<u>5,242</u>	<u>6,992</u>	<u>679</u>	<u>679</u>	<u>9,911</u>	<u>17,389</u>
Closing fund balance	<u>\$ 9,416</u>	<u>\$ 3,990</u>	<u>\$ 12,562</u>	<u>\$ 5,242</u>	<u>\$ 679</u>	<u>\$ 679</u>	<u>\$ 22,657</u>	<u>\$ 9,911</u>

BRAMPTON MINOR BASEBALL INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>2017</u>	<u>2016</u>
Cash from operating activities:		
Excess of receipts over disbursements	\$ 21,918	\$ 78,976
Changes in non-cash working capital balances:		
Accounts receivable	2,463	(1,265)
Prepaid expenses	(5,843)	-
Accounts payable and accrued liabilities	<u>(43,156)</u>	<u>40,278</u>
Net cash used through operating activities	(24,618)	117,989
Investing activities		
Increase in term deposits	<u>(1,917)</u>	<u>(51,651)</u>
Net (decrease) increase in cash	(26,535)	66,338
Cash - beginning	<u>179,283</u>	<u>112,945</u>
Cash	<u>\$ 152,748</u>	<u>\$ 179,283</u>

BRAMPTON MINOR BASEBALL INC

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

The purpose of the organization is to provide the opportunity for youth to participate in amateur baseball, within the geographical boundaries stipulated herein, to develop and encourage good sportsmanship and fellowship between all participants for the betterment of their physical, mental and social well being and to sponsor and promote such athletic, social and other activities as may contribute to the moral and financial welfare of the organization.

Brampton Minor Baseball Inc was incorporated on November 26, 1985. For Canadian income tax purposes the Corporation qualifies as a not-for-profit organization which is exempt from income tax under the Income Tax Act.

1. Summary of significant accounting policies

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

Accrual basis of accounting

Revenues and expenses are recorded on the accrual basis, whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions are settled by the receipt or payment of money.

Fund accounting

The organization uses the deferral method of accounting and reports on a fund accounting basis. The funds maintained are as follows:

- (i) Unrestricted fund - includes results of day-to-day operating transactions and all unrestricted contributions;
- (ii) Internally restricted funds - includes revenues and expenses internally restricted by the Board of Directors to fund various projects

Capital assets

The organization has elected to expense capital assets as incurred as the average annual revenues of the organization for the current and preceding period are less than \$500,000. In the current year, furniture and fixtures with a cost of \$459 were purchased and expensed.

Investment in Ontario Baseball Academy

The investment in Ontario Baseball Academy is recorded using the cost method.

BRAMPTON MINOR BASEBALL INC
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

Summary of significant accounting policies - continued

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted revenues are recognized as revenue in the year in which the related expenses are incurred. Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can reasonably be estimated and collection is reasonably assured.

Registration, tournament, and sponsorship fees are recognized as revenue in the fiscal year to which they relate. Store-shed and equipment sales are recognized when the product has been delivered to the customer. Coaches certification and other income is recognized as revenue when the related services have been provided. Interest on investments is accrued as earned.

Foreign currency transactions

The organization uses the temporal method to translate transactions that are denominated in a foreign currency. The organization has expenses that are settled in U.S. dollars. Expenses are translated to Canadian dollar equivalents at exchange rates prevailing when the transactions occur. Monetary assets and liabilities are translated at current rates as at the balance sheet date. Other assets and liabilities are translated at exchange rates prevailing when the transaction occurs.

Contributed materials and services

Volunteers contribute time each year to assist the organization in carrying out its service delivery activities. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements. Contributed materials are not recognized in the financial statements.

Estimates

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO) requires that management make estimates and assumptions that affect the amounts reported and the disclosures in the notes. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

The valuation of accounts receivable is based on management's best estimate of the provision for bad debts.

BRAMPTON MINOR BASEBALL INC
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

Summary of significant accounting policies - continued

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, term deposits, accounts receivable and Investment in Ontario Baseball Academy. Financial liabilities measured at amortized cost include accounts payable.

2. Term deposits

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Cost</u>
TD Premium Rate Business GIC	November 14, 2017	0.75%	\$ 102,265
TD Special Offer GIC	July 27, 2018	1.20%	<u>101,562</u>
			203,827
Accrued interest earned to date			<u>606</u>
Carrying value of investments at September 30, 2017			<u>\$ 204,433</u>

3. Accounts payable

	<u>2017</u>	<u>2016</u>
Trade payables and accrued liabilities	\$ 15,584	\$ 58,740
Government remittances	<u>-</u>	<u>-</u>
	<u>\$ 15,584</u>	<u>\$ 58,740</u>

4. Financial Instruments

The organization's financial instruments consist of cash, term deposits, accounts receivable, Investment in Ontario Baseball Academy and accounts payable. The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short term to maturity.

BRAMPTON MINOR BASEBALL INC
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

Financial Instruments (continued)

Liquidity risk

The organization does have liquidity risk in the accounts payable of \$15,584 (2016 - \$58,740). Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and by maintaining access to a sufficient cash balance to repay trade creditors. In the opinion of management, the liquidity risk exposure to the organization is low. This risk is unchanged from the prior year.

Credit risk

The organization does have credit risk in the accounts receivable of \$2,553 (2016 - \$5,016). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The organization reduces its exposure to credit risk by following up overdue accounts on a timely basis and creating an allowance for bad debts when applicable. In the opinion of management, the credit risk exposure to the organization is low. This risk is unchanged from the prior year.

The organization also has a credit risk relating to cash and term deposits, which it manages by dealing with large chartered banks in Canada and investing in highly liquid investments. The organization's objective is to minimize its exposure to credit risk in order to prevent losses on financial assets by placing its investments in highly liquid investments that are insurable by the Canadian Investor Protection Fund (CIPF). The corporation's cash carrying value is \$152,748 (2016 - \$179,283) and term deposits carrying value is \$204,433 (2016 - \$202,516), representing the maximum exposure to credit risk of these financial assets. This risk is unchanged from the prior year.

Currency risk

The organization is exposed to currency risk in United States dollars. As at September 30, 2017, cash balances of \$842 (2016 - \$62) were converted into Canadian dollars for inclusion in the balance sheet. A currency risk is the risk that the exchange rate that was in effect on the date that an obligation in a foreign currency was made by the organization to a vendor is different at the time of settlement than it was at the time the obligation was determined. The organization reduces its exposure to the currency risk by carefully monitoring exchange rates on obligations that are made by the company and buying United States dollars the same day that the obligation was determined and paying the obligation the same day. In the opinion of management the currency risk exposure to the organization is low.