

**Mississauga Southwest Baseball
Association**

Financial statements

September 30, 2023

Mississauga Southwest Baseball Association

September 30, 2023

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CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditors' Report

**To the members of
Mississauga Southwest Baseball Association**

Qualified Opinion

We have audited the financial statements of Mississauga Southwest Baseball Association, which comprise the statement of financial position as at September 30, 2023, and the statements operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the 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 Mississauga Southwest Baseball Association as at September 30, 2023, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fund-raising activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the association and we were not able to determine whether any adjustments might be necessary to revenues, expenses, assets, liabilities and fund balances.

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 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 the 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 these financial statements, management is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 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 control that we identify during our audit.

R & C Chartered Professional Accountants

Mississauga, Ontario
October 26, 2023

Chartered Professional Accountants
Licensed Public Accountants

Mississauga Southwest Baseball Association
Statement of Financial Position
September 30, 2023

| | General Fund | Bingo Fund | 2023 \$ | 2022 \$ |
|--|-------------------------|-----------------------|--------------------|--------------------|
| Assets | | | | |
| Current assets | | | | |
| Cash | 148,341 | 13,199 | 161,540 | 139,816 |
| Receivables | - | 1,414 | 1,414 | 2,424 |
| Prepaid expenses | - | - | - | 300 |
| Due from General fund | - | 16,005 | 16,005 | 16,155 |
| Total assets | 148,341 | 30,618 | 178,959 | 158,695 |
| Liabilities and Fund Balances | | | | |
| Current liabilities | | | | |
| Payables and accruals | 19,643 | - | 19,643 | 16,298 |
| Deferred revenue | 1,775 | - | 1,775 | 3,380 |
| Due to Bingo fund | 16,005 | - | 16,005 | 16,155 |
| Total Liabilities | 37,423 | - | 37,423 | 35,833 |
| Fund Balance | | | | |
| General fund balance | 110,918 | - | 110,918 | 84,044 |
| Bingo fund balance (note 2) | - | 30,618 | 30,618 | 38,818 |
| Total fund balance | 110,918 | 30,618 | 141,536 | 122,862 |
| Total liabilities and fund balances | 148,341 | 30,618 | 178,959 | 158,695 |

Approved on behalf of the members _____



Mississauga Southwest Baseball Association
Statement of Operations and Changes in Fund Balances
For the year ended September 30, 2023

| | General Fund | Bingo Fund | 2023 \$ | 2022 \$ |
|---|-------------------------|-----------------------|--------------------|--------------------|
| Revenues | | | | |
| Registration fees | 353,575 | - | 353,575 | 295,514 |
| Bingo lottery | - | 29,317 | 29,317 | 15,368 |
| Clinics | 3,895 | - | 3,895 | - |
| Concession | 38,232 | - | 38,232 | 24,352 |
| Other | 13,145 | - | 13,145 | 15,575 |
| | 408,847 | 29,317 | 438,164 | 350,809 |
| Expenses | | | | |
| Advertising and marketing | 3,801 | - | 3,801 | 6,189 |
| Bank charges | 5,964 | - | 5,964 | 5,619 |
| Building maintenance | 34,560 | - | 34,560 | 25,698 |
| Clinic and player development | - | - | - | - |
| Concession expenses | 34,242 | - | 34,242 | 23,685 |
| Equipment (net of proceeds from sale of excess equipment) | 24,277 | - | 24,277 | (3,841) |
| Fundraising | 6,225 | - | 6,225 | 1,575 |
| Insurance | 7,896 | - | 7,896 | 5,193 |
| Licenses, fees and permits | 8,776 | - | 8,776 | 6,612 |
| Office and general | 9,399 | - | 9,399 | 9,428 |
| Professional fees | 6,780 | - | 6,780 | 8,150 |
| Tournaments and trophies | 12,291 | - | 12,291 | 15,731 |
| Umpire expenses | 83,804 | - | 83,804 | 55,628 |
| Uniforms | 77,543 | 23,132 | 100,675 | 90,716 |
| User fees - City of Mississauga | 60,855 | 14,385 | 75,240 | 68,568 |
| Utilities | 5,560 | - | 5,560 | 2,535 |
| | 381,973 | 37,517 | 419,490 | 321,486 |
| Excess of revenues over expenses | 26,874 | (8,200) | 18,674 | 29,323 |
| Fund balances, beginning of year | 84,044 | 38,818 | 122,862 | 93,539 |
| Fund balances, end of year | 110,918 | 30,618 | 141,536 | 122,862 |

See Accompanying Notes

Mississauga Southwest Baseball Association
Statement of Cash Flows
For the year ended September 30, 2023

| | 2023 | 2022 |
|---|----------------|----------------|
| | \$ | \$ |
| Operating activities | | |
| Excess of revenues over expenses (General fund) | 26,874 | 13,955 |
| Excess of revenues over expenses (Bingo fund) | (8,200) | 15,368 |
| | 18,674 | 29,323 |
| Change in non-cash operating working capital | | |
| Receivables | 1,010 | (1,814) |
| Prepaid expenses | 300 | (150) |
| Payables and accruals | 3,345 | 4,187 |
| Deferred revenue | (1,605) | 3,380 |
| Increase in cash | 21,724 | 34,926 |
| Cash, beginning of year | 139,816 | 104,890 |
| Cash, end of year | 161,540 | 139,816 |
| Cash consist of the following: | | |
| Cash - General account | 148,341 | 119,577 |
| Cash - Bingo fund | 13,199 | 20,239 |
| | 161,540 | 139,816 |

Mississauga Southwest Baseball Association

Notes to Financial Statements

September 30, 2023

Nature of Business

The Mississauga Southwest Baseball Association Inc., a not-for-profit organization, was incorporated without share capital by Supplementary Letters Patent under the Companies Act of the Province of Ontario. The objectives of the Association shall be (1) to foster, promote and teach its members to play amateur baseball to the best of their abilities and to promote the maximum opportunity and best possible environment for all eligible members within which to participate and play up to the limit of facilities and resources available; (2) to encourage and develop team and community spirit within its members and to teach the values of co-operation, tolerance, perseverance, integrity and a sense of fair play to the betterment of the physical, mental and social well being; (3) to promote an enjoyable and healthy outlet for the energies of its members while encouraging a high level of physical fitness and extolling the virtues of competition and quest for excellence; and (4) to sponsor, promote and engage in such athletic, social, fund-raising and other activities as may contribute to the finances of the Association and further its objectives.

1. Significant Accounting Policies

(a) Basis for accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Fund accounting

The Mississauga Southwest Baseball Association follows the fund accounting for receipts and disbursements on an accrual basis of accounting.

(c) Inventory

Purchases of uniforms and equipment are expensed as incurred.

(d) Revenue recognition

The association follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Registration fees, bingo lottery, clinics and other revenues are recognized when the associated services are provided. Concession revenue are recognized when goods are sold.

(e) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

Mississauga Southwest Baseball Association

Notes to Financial Statements

September 30, 2023

(f) Donated services

A substantial number of volunteers contribute a significant amount of time each year to the association. Because of the difficulty of determining the fair value, contributed services are not recognized in these financial statements.

(g) Financial instruments

The association recognizes and measures financial assets and financial liabilities on the balance sheet when it becomes a party to the contractual provisions of a financial instrument. All transactions related to the financial instrument are recorded on a trade date or settlement basis. All financial instruments are measured at fair value on initial recognition. The association subsequently measures its financial assets and financial liabilities at cost or amortized cost. Changes in the fair value of these financial instruments are recorded in net income.

The association classifies its financial instruments as follows:

- Financial assets measured at cost include cash and receivables.
- Financial liabilities measured at cost include payables and accruals and deferred revenue.

(h) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, 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 the reversal is recognized in net income.

(i) Deferred revenue

All registration fees received in the current year which the association has permitted to be used for the following season have been recorded as deferred revenue and will be accounted for as income in the following fiscal year to which they pertain.

2. Bingo Fund

The proceeds derived from bingo operations are restricted funds. The purpose of the fund is devoted to the cost of baseball equipment, uniforms and user fees.

Mississauga Southwest Baseball Association
Notes to Financial Statements
September 30, 2023

3. Financial instruments

The significant financial risks to which the association is exposed are as follows:

- Credit risk is the risk of loss of a financial asset stemming from a debtors failure to repay or otherwise meet a contractual obligation. To mitigate this risk, the association actively manages and monitors its receivables.
- Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with financial liabilities. The association is exposed to liquidity risk arising from its liabilities. The association's ability to meet obligations depend on the receipt of funds from operations.