

BASEBALL PEI INC.
Financial Statements
March 31, 2026

Draft for discussion purposes only

BASEBALL PEI INC.
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March 31, 2026

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Baseball PEI Inc.

We have reviewed the accompanying financial statements of Baseball PEI Inc. (the organization) that comprise the statement of financial position as at March 31, 2026, and the statements of changes in net assets, operations 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with 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 audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Baseball PEI Inc. as at March 31, 2026, 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.

MRSB CHARTERED PROFESSIONAL ACCOUNTANTS INC.

Charlottetown, PE

BASEBALL PEI INC.
Statement of Financial Position
March 31, 2026

	2026	2025
ASSETS		
Current		
Cash	\$ 72,683	\$ 78,806
Temporary investments	169,476	150,000
Accounts receivable	2,641	15,479
	<u>\$ 244,800</u>	<u>\$ 244,285</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 948	\$ 948
Lease commitment (Note 4)		
NET ASSETS		
Unrestricted net assets (Statement 3)	243,852	243,337
	<u>\$ 244,800</u>	<u>\$ 244,285</u>

BASEBALL PEI INC.
Statement of Changes in Net Assets
Year Ended March 31, 2026

	2026	2025
Unrestricted net assets - beginning of year	\$ 243,337	\$ 205,821
Excess (deficiency) of revenues over expenditures (Statement 4)	<u>515</u>	<u>37,516</u>
Unrestricted net assets - end of year	<u>\$ 243,852</u>	<u>\$ 243,337</u>

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BASEBALL PEI INC.
Statement of Operations
Year Ended March 31, 2026

	2026	2025
Revenues		
Player registration	\$ 124,900	\$ 119,955
Other grants and funding	77,772	108,057
Program and event fees	69,530	77,930
Fundraising	50,130	46,068
Provincial funding	41,700	40,200
Membership fees	11,323	11,095
Interest	6,638	8,076
Association fees	550	500
Miscellaneous	151	300
	<u>382,694</u>	<u>412,181</u>
Expenditures		
Athlete development programs	73,240	74,984
Awards and recognitions	10,155	7,785
Coach development programs	8,675	12,582
Dues and fees	12,800	12,300
Equipment and supplies	2,756	20,680
Fundraising	5,829	3,244
Hosting grants	7,514	8,400
Insurance	13,344	10,709
Interest and bank charges	236	310
Meetings and conventions	11,720	6,699
Office	17,966	12,630
Official programs	37,852	45,091
Professional fees	2,581	1,489
Rent	1,987	1,987
Telephone	1,592	1,644
Travel	4,521	10,512
Volunteer honorarium	2,864	3,220
Wages and wage levies	166,547	140,399
	<u>382,179</u>	<u>374,665</u>
Excess of revenues over expenditures	<u>\$ 515</u>	<u>\$ 37,516</u>

BASEBALL PEI INC.
Statement of Cash Flows
Year Ended March 31, 2026

	2026	2025
Cash flows from operating activities		
Excess of revenues over expenditures	\$ 515	\$ 37,516
Change in non-cash working capital:		
Accounts receivable	<u>12,838</u>	<u>(8,076)</u>
Increase in cash	13,353	29,440
Cash - beginning of year	<u>228,806</u>	199,366
Cash - end of year	<u>\$ 242,159</u>	<u>\$ 228,806</u>
Cash consists of:		
Cash	\$ 72,683	\$ 78,806
Temporary investments	<u>169,476</u>	<u>150,000</u>
	<u>\$ 242,159</u>	<u>\$ 228,806</u>

BASEBALL PEI INC.
Notes to Financial Statements
Year Ended March 31, 2026

1. PURPOSE OF THE ORGANIZATION

Baseball PEI Inc. was incorporated under Part II of the Prince Edward Island Business Corporation Act on September 12, 1997 as a not-for-profit entity. Incorporating in this manner exempts the organization from income taxes providing ongoing compliance requirements are met. The objective and purpose of the organization is to continuously enable the development of baseball skills and knowledge among youth across Prince Edward Island.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO).

3. SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash is comprised of cash in banks and temporary investments.

Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of excess of revenues over expenditures. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of excess of revenues over expenditures.

Accounts receivable

Accounts receivable arise from accrued interest receivable. An allowance for bad debts has been calculated through discussions with management, assessment of the other circumstances influencing the collectibility of amounts, and using historical loss experience. Amounts deemed uncollectible are written off and deducted from the carrying value of the receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

Tangible capital assets

Tangible capital assets are expensed in the year of purchase. Tangible capital assets owned by the organization includes a laptop and baseball equipment. During the year, \$1,345 (2025 - \$Nil) of office equipment purchased were included in office expenditures, and \$2,756 (2025 - \$3,031) was paid for uniforms, crests, baseball supplies, and trophies which is included in equipment and supplies expenditures.

Government assistance

Government assistance for current expenditures is recorded as government funding revenue. Government grants are recorded when there is a reasonable assurance that the organization has complied with, and will continue to comply with, all the necessary conditions to obtain the grants. During the year, the organization received \$41,700 (2025 - \$40,200) from the Province of Prince Edward Island under the Amateur Sport Funding Program. The organization also received \$11,901 from Canada Summer Jobs Program for summer student, \$8,519 from Jobs for Youth, \$9,318 from Skills PEI for wage grants (2025 - \$8,971 for wage subsidies from Skills PEI, \$11,060 from Skills PEI Jobs for Youth for wage subsidies). The organization also received \$2,500 (2025 - \$3,000) from Province of PEI for Women in Sports.

(continues)

BASEBALL PEI INC.
Notes to Financial Statements
Year Ended March 31, 2026

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The organization subsequently measures all of its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in excess of revenues over expenditures.

Financial assets measured at amortized cost on a straight-line basis include cash and investments.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities.

Transaction costs on the acquisition, sale, or issue of financial instruments that are subsequently measured at amortized cost are shown as an adjustment to the carrying value of the related financial instrument.

Revenue recognition

Revenues are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest revenue is recognized on a time proportionate basis.

The organization follows the deferral method of accounting for revenues. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. 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.

Contributed services

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

Measurement uncertainty

When preparing financial statements according to Canadian ASNPO, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenditures
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities

Estimates are based on a number of factors including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as revenues and allowance for doubtful accounts.

BASEBALL PEI INC.
Notes to Financial Statements
Year Ended March 31, 2026

4. LEASE COMMITMENT

The organization has entered into a lease agreement with Sport PEI for the lease of office space. The minimum lease payments due over the next year is as follows:

2027	\$ <u>2,685</u>
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5. FINANCIAL INSTRUMENTS

The organization's financial instruments consists of cash, accounts receivable, investments and accounts payable and accrued liabilities.

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2026.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

6. ECONOMIC DEPENDENCE

The organization funds its operations with program grants provided by various government agencies. The organization's ability to continue to administer its programs and discharge its liabilities is dependent on receipt of these grants.