CANADIAN FEDERATION OF AMATEUR BASEBALL

FINANCIAL STATEMENTS

MARCH 31, 2026

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PARKER PRINS LEBANO
Chartered Professional Accountants
Professional Corporation

INDEPENDENT AUDITORS' REPORT

To the Members of the:
CANADIAN FEDERATION OF AMATEUR BASEBALL

Qualified Opinion

We have audited the financial statements of the Canadian Federation of Amateur Baseball, which comprise the Statement Of Financial Position as at March 31, 2026, and the Statements Of Operations And Changes In Net Assets, and Cash Flows for the year then ended, and Notes To The Financial Statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Canadian Federation of Amateur Baseball 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Canadian Federation of Amateur Baseball derives revenue from donations, 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 Canadian Federation of Amateur Baseball. Therefore, we were not able to determine whether any adjustments might be necessary to recorded donations, excess of revenues over expenses, cash flows from operations for the years ended March 31, 2026 and 2025, and current assets and net assets as at March 31, 2026 and 2025. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Canadian Federation of Amateur Baseball 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.

Emphasis of Matters

We draw attention to Note 10 of the financial statements which describes the economic dependence relating on Government of Canada funding. Our opinion is not qualified in respect of this matter.

The supplementary information presented on pages 9 and 10 was derived from the underlying accounting and other records used to prepare the financial statements. The supplementary information is presented for the purposes of additional information is not a required part of the financial statements and is marked as unaudited. Such supplementary information is the responsibility of management.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Canadian Federation of Amateur Baseball'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 Canadian Federation of Amateur Baseball or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Canadian Federation of Amateur Baseball's financial reporting process.

Auditors' 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 auditors' 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 Canadian Federation of Amateur Baseball'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 Canadian Federation of Amateur Baseball's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Canadian Federation of Amateur Baseball 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.

Parker Prins Lebano Chartered Professional Accountants Professional Corporation
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario
July 22, 2026

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CANADIAN FEDERATION OF AMATEUR BASEBALL
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash	**$ 659,434**	$ 647,135
Accounts receivable	**1,771,603**	93,230
Inventory	**37,438**	31,348
Prepaid expenses	**117,406**	54,642
	2,585,881	826,355
INVESTMENTS (note 4)	**1,708,768**	1,883,551
	$ 4,294,649	$ 2,709,906
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	**$ 199,487**	$ 109,802
Government remittances payable	**4,555**	-
Deferred revenue (note 5)	**192,419**	-
	396,461	109,802
NET ASSETS		
Alumni Fund	**316,927**	421,927
Unrestricted	**3,581,261**	2,178,177
	3,898,188	2,600,104
	$ 4,294,649	$ 2,709,906

CANADIAN FEDERATION OF AMATEUR BASEBALL
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2026

	Alumni Fund	Unrestricted	**2026**	2025
REVENUE				
Athlete program (note 6)	$ -	$ 988,972	**$ 988,972**	$ 973,814
Coach development program	-	673,210	**673,210**	655,947
Donations (note 8)	-	999	**999**	49,699
Events program (note 6)	-	565,521	**565,521**	463,876
Umpire development program (note 6)	-	44,081	**44,081**	39,140
Corporate	-	542,219	**542,219**	771,710
Participation fees	-	87,700	**87,700**	90,000
	-	2,902,702	**2,902,702**	3,044,186
EXPENDITURE				
Athlete program (note 6)	-	1,052,781	**1,052,781**	1,113,587
Coach development program	-	294,144	**294,144**	278,547
Events program (note 6)	-	552,992	**552,992**	465,617
Umpire development program (note 6)	-	46,943	**46,943**	56,538
Corporate	-	1,277,830	**1,277,830**	1,223,339
	-	3,224,690	**3,224,690**	3,137,628
DEFICIENCY OF REVENUE OVER EXPENDITURE BEFORE OTHER ITEM	-	(321,988)	**(321,988)**	(93,442)
OTHER ITEM				
World Baseball Classic performance award	-	1,620,072	**1,620,072**	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	-	1,298,084	**1,298,084**	(93,442)
BALANCE, BEGINNING OF YEAR	421,927	2,178,177	**2,600,104**	2,693,546
FUND TRANSFER (note 9)	(105,000)	105,000	**-**	-
BALANCE, END OF YEAR	$ 316,927	$ 3,581,261	**$ 3,898,188**	$ 2,600,104

CANADIAN FEDERATION OF AMATEUR BASEBALL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess (Deficiency) of revenue over expenditure for the year	**$ 1,298,084**	$ (93,442)
Changes in non-cash working capital components:		
Accounts receivable	**(1,678,373)**	159,810
Inventory	**(6,090)**	(6,488)
Prepaid expenses	**(62,764)**	14,581
Accounts payable and accrued liabilities	**89,685**	(136,665)
Government remittances payable	**4,555**	-
Deferred revenue	**192,419**	(95,977)
	(162,484)	(158,181)
INVESTING ACTIVITIES		
Disposal (Purchase) of investments	**174,783**	(1,366,632)
INCREASE (DECREASE) IN CASH FOR THE YEAR	**12,299**	(1,524,813)
CASH, BEGINNING OF YEAR	**647,135**	2,171,948
CASH, END OF YEAR	**$ 659,434**	$ 647,135

1. PURPOSE OF THE ORGANIZATION

The Canadian Federation of Amateur Baseball (operating as "Baseball Canada") is dedicated, through collaborative leadership, to develop, promote and deliver programs that allow individuals to maximize their potential to become tomorrow's leaders. The organization is incorporated under the Canada Not-for-profit Corporations Act 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:

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. The estimates and assumptions are reviewed annually and, as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

ALUMNI FUND
The Alumni Fund receives donations that are internally restricted in their use to the national program team. The High Performance Committee makes recommendations to the Board of Directors for any use of the funds.

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

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 expenses are 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.

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.

SPORT CANADA CONTRIBUTIONS
Contributions 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.

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.

3. FINANCIAL INSTRUMENTS

Financial instruments of the organization consist of cash, accounts receivable, investments and accounts 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 risks have not changed from last year.

4. INVESTMENTS

The organization's investments consist of a GIC that earns variable interest and matures in May 2026, and a US dollar term deposit that earns interest at a rate of 3.72% that matures in June 2026.

5. DEFERRED REVENUE

Deferred revenue consists of the following amounts received, which are to be recognized as revenue in the next year:

	2026	2025
Events program	**$ 108,860**	$ -
Sponsorships	**83,559**	-
	$ 192,419	$ -

6. CONTRIBUTED GOODS

Contributed goods are recorded at their fair value of $533,853 (2025 - $478,336). Within the Statement of Operations and Changes in Net Assets, $184,000 (2025 - $184,000) of contributed goods is included within athlete program revenue and expenditure, $347,753 (2025 - $292,236) is included within events program revenue and expenditure and $2,100 (2025 - $2,100) is included within umpire development program revenue and expenditure.

7. COMMITMENT

The organization has leased premises to June 30, 2027 at approximately $95,000 per annum.

8. ALUMNI FUND DONATION

During fiscal 2025, Baseball Canada received a donation of securities in the amount of $49,699. The donor specified that the amount be utilized for the Junior National Team, and therefore the related revenue was allocated to the Alumni Fund. Upon receipt, the securities were immediately sold at the donation value, and the amount is maintained as cash at year-end.

9. FUND TRANSFER

During the year, the board of directors approved of $105,000 (2025 - $150,000) of Alumni Fund assets to be utilized to fund Junior National Team expenses in the 2025 fiscal year.

10. ECONOMIC DEPENDENCE

Baseball Canada’s annual revenue includes significant Government of Canada funding. Government of Canada funding accounts for 19% of revenue in the current fiscal year (2025 – 34%). Should Baseball Canada lose its Government of Canada funding, there would be a material impact on continuing operations.

Subsequent to the 2025 year-end, Baseball Canada was informed by the Government of Canada that there will be sector-wide cuts to the annual core funding they receive. As a result, Baseball Canada's core funding was reduced by $236,000 for 2026 and each of the next three fiscal years. Despite this annual reduction, there are currently no going concern issues.

CANADIAN FEDERATION OF AMATEUR BASEBALL
SCHEDULE OF UNRESTRICTED REVENUE BY SOURCE
FOR THE YEAR ENDED MARCH 31, 2026
(prepared without audit)

	Budget	**2026**	2025
Sport Canada Contributions			
Administration, meetings and staff	$ 444,000	**$ 343,632**	$ 454,000
Coaching development	-	**7,500**	-
Domestic sport	23,000	**31,980**	24,190
National championships	18,000	**25,319**	18,000
National team	434,000	**385,720**	392,000
Women's program	117,000	**83,349**	159,000
	1,036,000	**877,500**	1,047,190
Other Contributions			
Coaching Association of Canada	87,534	**116,350**	88,494
Sponsorships	262,500	**276,552**	197,850
Goods in kind	197,300	**197,300**	197,300
Rally Cap	329,165	**396,553**	341,036
Alumni Fund donations	-	**-**	49,699
	876,499	**986,755**	874,379
Miscellaneous			
Sales	50,000	**57,957**	45,549
Provincial affiliation fees	137,700	**137,700**	140,000
National championships	84,500	**64,445**	65,085
Interest and exchange	74,000	**26,851**	143,288
Team exhibition games	-	**-**	994
Certification fees	329,721	**356,910**	344,796
Coaching clinic fees	200,000	**234,431**	259,697
Challenger	10,000	**10,000**	10,000
Alumni	120,000	**140,663**	99,820
Fundraising and donations	-	**1,997**	3,973
Miscellaneous	15,000	**7,493**	9,415
World Baseball Classic performance award	210,000	**1,620,072**	-
	1,230,921	**2,658,519**	1,122,617
	$ 3,143,420	**$ 4,522,774**	$ 3,044,186

CANADIAN FEDERATION OF AMATEUR BASEBALL
SCHEDULE OF SPORT CANADA REVENUE AND EXPENSES BY BUDGET CATEGORY
FOR THE YEAR ENDED MARCH 31, 2026
(prepared without audit)

	Total Revenue Claimed	Total Expenses
Budget Category		
General administration	$ 90,000	$ 280,215
Governance	24,000	64,134
Staff salaries	174,000	794,529
Coaching salaries and professional development	72,000	90,000
National team programs	482,000	1,051,374
Operations and programming	27,500	823,836
Gender equity	-	2,400
Safe sport	-	30,000
Official languages	8,000	10,615
Innovation	-	9,122
Recovery	-	28,465
	$ 877,500	$ 3,184,690