

## **Pickleball Manitoba Inc. 2020 AGM Financial Report (with explanatory notes, next pages)**

**Income Statement** (January 1, 2020 to September 30, 2020 - all numbers are \$)

### **Income**

Membership Fees	1,595.00
Total Income	1,595.00

### **Expenses\$**

Referee Pgm. - 10 stopwatches	159.40
Fees	
a) Website Renewal	228.00
b) ACU*	45.00
c) Pay Pal	1.61
Total Expenses	434.01

**Net Income** 160.99

Bank Balance at September 30, 2020 6,998.55

\* ACU = Assiniboine Credit Union

### **Explanatory Notes to Income Statement**

1. Three functions of Pickleball Manitoba's business, Membership (see note 8 below), Annual General Meeting (AGM - note 5 below) and Financial Reports (tax filing and AGM reporting statements), each had different yearly time periods.
2. In 2020, Pickleball Manitoba changed its fiscal year from October 1 to September 30 to January 1 to December 31. The fiscal year change was made to ease the administrative burden and to harmonize financial statement and income tax filing periods to a calendar year.
3. The Canada Not-for-profit Corporations Act (The Act), governs Pickleball Manitoba's operations (see link <https://laws.justice.gc.ca/eng/acts/c-7.75/>). Part 11, Financial Disclosure, Clause 172(2) allows for the change in fiscal year reporting.
4. The impacts of the change in the fiscal year are:
  - a.) The 2020 AGM is the first year of financial reporting using the new fiscal year period;

b) Holding the AGM in October 2020 meant the Income Statement presented was for a 9-month period: January 1 to September 30. If the time of year in which the AGM is held does not change, 9 months will be the reporting period for future AGM's (see note 5);

c) Reporting income and expenses for the 3-month period, October 1, 2019 to December 31, 2019 was impacted by the change in the fiscal year period (see Income Statement for that 3-month period below - all numbers are \$):

Income	
Honorarium (DCC*)	500.00
Membership Fees	160.00
Total Income	660.00
Expenses	
Room Rentals - AGM, Board meeting, referee's clinic	259.00
Singles Tournament Startup Support**	72.67
Fees ACU (15.00 + Pay Pal 3.20)	18.20
Referee Pgm. - printing of materials	44.80
AGM materials and 12 indoor pickle balls	69.75
Total Expenses	464.42
Net Income	195.58
Bank Balance at December 31, 2019	5,837.65

\*DCC = Dakota Community Club, honorarium received for instructors at intermediate clinics.

\*\* In November 2019 the Board made a "seed grant" of \$200 to the organizers of singles pickleball tournaments to cover start up expenses, thus allowing a profit to be earned, that could, over time, be reinvested in tournament operation. Several tournaments were to be staged over 2020 and 2021. The money was "seeded" to promote the growth and development of this segment of our sport. Tournament organizers made membership in Pickleball Manitoba a condition of tournament entry, thus generating income and members for the corporation. The \$200 is to be repaid, at the earliest, by June 2021, which will be difficult to achieve in a continuing COVID environment.

5. The time periods for the membership year and the month of the year in which the AGM is held were not changed. At future meetings, the Board will assess, and report to members on, two aspects of the AGM: the month in calendar year on which it is held and its format (virtual meeting in lieu of in person meeting).

6. The Act, Part 12, Public Accountant, Clause 182(1) allows the corporation not to appoint a public accountant for audit purposes, providing "the members entitled to vote at an annual meeting of members consent" to such a resolution. The Directors are of the opinion that the historic limited number of financial transactions, and their limited dollar value, does not, for the coming year, warrant the appointment of a public accountant to conduct a financial audit. For the two income statements above, Pickleball Manitoba had a total of 30 transactions. Of these 30 transactions, 12 (40%) were

monthly service fees of \$5 charged by ACU. The expenditure category with the greatest dollar value was rentals (\$259.00 in 2019). For the forthcoming fiscal year, no change in the above noted trends (limited number and limited dollar value of financial transactions) is foreseen. The cost of engaging a Public Accountant has been estimated in 2019 to be in the range of \$1,500 - \$2,000.

7. As per The Act, Part 11 Financial Disclosure, Clauses 174(1) and 174(2) the financial statements of the corporation are available to members, or their representatives, upon reasonable notice.

#### 8. Membership

- a. On August 1, 2019 Pickleball Manitoba affiliated with Pickleball Canada. As per the terms of the Affiliation Agreement, Pickleball Manitoba members were to become members of Pickleball Canada, and by doing so, they received the benefits of Pickleball Canada membership. Immediately prior to affiliation, Pickleball Manitoba, paid the first year Pickleball Canada membership fee on behalf of all its members as of May 31, 2019 (\$2,170 in total). For those members only, the Pickleball Canada - Pickleball Manitoba membership year was August 1, 2019 to July 31, 2020. After May 31, 2019 all Pickleball Canada - Pickleball Manitoba memberships are issued on an annual basis; the 5-year Pickleball Manitoba membership was discontinued.
- b. Annual membership renewal is based on the date the membership was purchased. All memberships are allowed a 60-day renewal grace period before deletion from the membership list.
- c. At July 31, 2020 there were 621 Pickleball Canada - Pickleball Manitoba members.
- d. At September 30, 2020 there were 386 Pickleball Canada- Pickleball Manitoba members (62.2 % of the number at July 31, 2020).
- e. The 386 members include 25 persons, who prior to affiliation, purchased multi year Pickleball Canada memberships. Pickleball Manitoba will not charge these Pickleball Canada members the Pickleball Manitoba membership fee for the remaining portion of their Pickleball Canada only membership.

9. The corporation has no assets of substantive value that are depreciated. It owns a Tudor Pickleball Machine, purchased used for about \$1400; it's use is as an instructional tool, not to generate income. The corporation has no debts.