

SASKATCHEWAN LACROSSE ASSOCIATION INC.

FINANCIAL STATEMENTS

AUGUST 31, 2018

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Members of
Saskatchewan Lacrosse Association Inc.

Management has responsibility for preparing the accompanying financial statements and ensuring that all information on any related reports is consistent with the financial statements. This responsibility includes selecting appropriate accounting policies and making objective judgements and estimates in accordance with Canadian accounting standards for not-for-profit organizations.


In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded, and proper records maintained.

Ultimate responsibility for financial statements to members lies with the Board of Directors.

Marcia Herback & Associates Chartered Professional Accountants Professional Corporation, an independent firm, has been appointed by the members to audit the financial statements and report to them; their report follows. The independent auditor has full and free access to the Board and management to discuss their audit findings as to the integrity of the organization's financial reporting and the adequacy of the system of internal controls.



President



Treasurer

December 5, 2018
Regina, Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To the Members of
Saskatchewan Lacrosse Association Inc.

I have audited the accompanying financial statements of Saskatchewan Lacrosse Association Inc., which comprise the statement of financial position as at August 31, 2018, and the statements of operation, change in net assets and cash flow statement for the years 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.


Basis for Qualified Opinion

In common with many non-profit organizations, Saskatchewan Lacrosse Association Inc. derives part of its revenue from the general public, the completeness and classification of which are not susceptible to satisfactory audit verification. Accordingly my verification of these transactions was limited to accounting for the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to the revenues, statement of operations, assets and net assets.

Qualified Opinion

In my opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Lacrosse Association Inc. as at August 31, 2018 and its financial performance and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Regina, Saskatchewan
December 5, 2018

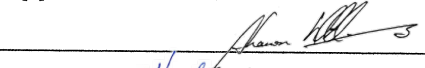
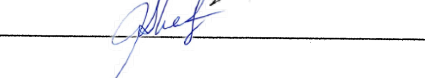

Marcia Herback
CPA, CA

SASKATCHEWAN LACROSSE ASSOCIATION INC.
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2018
(with comparative figures for 2017)

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	\$ 334,922	\$ 362,337
Accounts receivable	314,477	337,228
Inventory	19,198	14,193
Prepaid expenses	15,803	20,886
Sport Legacy Fund (Note 3)	<u>38,517</u>	<u>34,507</u>
	722,917	769,151
Tangible capital assets (Note 4)	<u>1,249</u>	<u>2,498</u>
	<u>\$ 724,166</u>	<u>\$ 771,649</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 205,716	\$ 313,943
Team refundable deposits	2,400	2,400
Deferred Sport Legacy Fund (Note 3)	38,517	34,507
Deferred revenue (Note 5)	<u>119,800</u>	<u>45,800</u>
	<u>366,433</u>	<u>396,650</u>
NET ASSETS		
Invested in tangible capital assets	1,249	2,498
Appropriated net assets (Note 6)	33,460	32,345
Unrestricted net assets	<u>323,024</u>	<u>340,156</u>
	<u>357,733</u>	<u>374,999</u>
	<u>\$ 724,166</u>	<u>\$ 771,649</u>

See accompanying notes

Approved on Behalf of the Board

 Director
 Director

SASKATCHEWAN LACROSSE ASSOCIATION INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED AUGUST 31, 2018
(with comparative figures for 2017)

	2018	2017
Revenue		
Saskatchewan Lotteries Trust Fund (Schedule 1)	\$ 211,400	\$ 231,214
Canadian Lacrosse Association	6,165	3,415
Self help (Schedule 2)	<u>943,185</u>	<u>874,811</u>
	<u>1,160,750</u>	<u>1,109,440</u>
Expenditure		
Administration (Schedule 3)	141,847	121,804
Capacity/Interaction (Schedule 4)	178,372	211,588
Participation (Schedule 5)	193,428	135,695
Excellence (Schedule 6)	325,778	253,507
Membership Assistance Program (Schedule 7)	38,299	42,401
Categorical Grants (Schedule 8)	<u>300,292</u>	<u>311,204</u>
	<u>1,178,016</u>	<u>1,076,199</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (17,266)</u>	<u>\$ 33,241</u>

See accompanying notes

SASKATCHEWAN LACROSSE ASSOCIATION INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2018
(with comparative figures for 2017)

		Invested in Tangible Capital Assets	Internally Restricted Assets	<u>2018</u>	<u>2017</u>
Net Assets					
Balance, beginning of year	\$ 340,156	2,498	32,345	\$ 374,999	\$ 341,758
Excess of revenues over expenditures	(17,266)	-	-	(17,266)	33,241
Amortization	1,249	(1,249)	-	-	-
Interfund transfers (Note 6)	(1,115)	-	1,115	-	-
Balance, end of year	<u>\$ 323,024</u>	<u>1,249</u>	<u>33,460</u>	<u>\$ 357,733</u>	<u>\$ 374,999</u>

See accompanying notes

SASKATCHEWAN LACROSSE ASSOCIATION INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2018
(with comparative figures for 2017)

	2018	2017
Operating activities		
Excess of revenues over expenditures	\$ (17,266)	\$ 33,241
Items not involving an outlay (receipt) of cash		
Amortization	<u>1,249</u>	<u>1,249</u>
	(16,017)	34,490
Net change in non-cash operating working capital balances		
Accounts receivable	22,751	(65,961)
Sport Legacy Fund	(4,010)	(3,234)
Prepaid expenses	5,083	(4,893)
Inventory	(5,005)	(14,193)
Accounts payable and accrued liabilities	(108,227)	167,730
Deferred Sport Legacy Fund	4,010	3,234
Deferred revenue	<u>74,000</u>	<u>45,800</u>
Cash provided by (used in) operating activities	<u>(27,415)</u>	<u>162,973</u>
Investing activities		
Additions to tangible capital assets	<u>-</u>	<u>(3,747)</u>
Cash provided by (used in) investing activities	<u>-</u>	<u>(3,747)</u>
Increase (decrease) in cash	(27,415)	159,226
Cash position, beginning of year	<u>362,337</u>	<u>203,111</u>
Cash position, end of year	<u>\$ 334,922</u>	<u>\$ 362,337</u>

See accompanying notes

SASKATCHEWAN LACROSSE ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018

1. Status and nature of activities

Saskatchewan Lacrosse Association Inc. is the provincial sport governing body dedicated to the promotion of lacrosse for all and the development of competitive excellence. The Association is incorporated under the Non-Profit Corporations Act of Saskatchewan. Under present legislation, no income taxes are payable on the reported income of such operations.

2. Summary of 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.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Amortization is provided for using the straight-line method over the estimated useful lives of the assets at the following annual rates:

Computer hardware	3 years
Computer software	3 years
Equipment	3 years

Revenue recognition

Grants from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation are received out of the net proceeds of lottery ticket sales in Saskatchewan. These grants have been recorded as revenue by the Association as approved by Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. Accordingly, any amounts not received by year end are shown as grant receivable and any amounts received relating to the next fiscal period are shown as deferred grant revenue.

Financial instruments

The Saskatchewan Lacrosse Association Inc. initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and cash equivalents and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Management estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. 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.

3. Sport Legacy Fund

The fund of deposit and the offsetting deferred revenue from the Sport Legacy Fund consists of donations based on various programs and top-up contributions made by Sask Sport Inc. To qualify for the additional top-up contributions made by Sask Sport Inc, the Association is required to leave the original amount of donation in the Sport Legacy Fund for a minimum of 5 years.

8
SASKATCHEWAN LACROSSE ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018

4. Tangible capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2018 Net Book Value</u>	<u>2017 Net Book Value</u>
Computer hardware	\$ 16,344	15,095	\$ 1,249	\$ 2,498
Computer software	729	729	-	-
Equipment	8,484	8,484	-	-
	<u>\$ 25,557</u>	<u>24,308</u>	<u>\$ 1,249</u>	<u>\$ 2,498</u>

5. Deferred revenue

During 2018, Saskatchewan Lacrosse Association Inc. received \$119,800 (2017-\$45,800) from the Saskatchewan Lotteries Trust Fund for expenses which will occur in the following fiscal year.

6. Appropriated net assets

The Board of Directors of Saskatchewan Lacrosse Association Inc. has established a Box Lacrosse Contingency Fund and a Field Lacrosse Contingency Fund for the purpose of accumulating funds for the future development in these areas. A fee of one dollar per player is assessed annually as a contribution towards the fund.

During the year \$2,418 (2017 - \$2,392) was contributed to the Box Lacrosse Contingency Fund and \$1,197 (2017 - \$1,122) was contributed to the Field Lacrosse Contingency Fund. The Field Lacrosse Contingency Fund had expenses of \$Nil (2017 - \$Nil) and had an ending balance of \$8,059 (2017 - \$6,862). Box Lacrosse Contingency Fund had expenses of \$2,500 (2017 - \$Nil) and had an ending balance of \$25,401 (2017 - \$25,483).

7. Economic dependence

Saskatchewan Lacrosse Association Inc. receives a significant portion of its revenue from grants received from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. As a result, the Association is dependent upon the continuance of these grants to maintain operations at their current level.

8. Financial instruments

Saskatchewan Lacrosse Association Inc. is exposed to various risks through its financial instruments. The following analysis provides a measure of the Saskatchewan Lacrosse Association Inc.'s exposure and concentrations at August 31, 2018:

Credit risk

Credit risk arises from the potential that a party may default on their financial obligations, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Association could incur a financial loss. The Association is exposed to credit risk with respect to cash and cash equivalents and accounts receivable. The Association manages its credit risk by placing cash with major financial institutions. Credit risk for accounts receivable is managed by the credit quality and diverse debtor base and creating an allowance for bad debts where applicable.

Liquidity risk

Liquidity risk is the risk that the Association may not be able to meet a demand for cash or fund its obligations as they come due or not being able to liquidate assets in a timely manner at a reasonable price. The Association is exposed to liquidity risk with respect to its accounts payable and accrued liabilities but manages its liquidity risk by holding assets that can be readily converted into cash.

SASKATCHEWAN LACROSSE ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018

8. Financial instruments cont'd

Interest rate risk

Interest rate risk is a type of market risk that refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Association is exposed to interest rate risk with respect to its cash and cash equivalents and its effect on interest income. Fluctuations in interest rates do not have a significant effect on cash due to the fact that interest income is not a major percentage of total revenue.

9. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

SASKATCHEWAN LACROSSE ASSOCIATION INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018
(with comparative figures for 2017)

	2018	2017
Saskatchewan Lotteries Trust Fund, Sport Division		Schedule 1
Annual funding	\$ 150,600	\$ 150,700
Membership assistance program	38,300	42,400
NAIG Aboriginal Excellence	-	23,114
Hosting grant	22,500	15,000
	<u>\$ 211,400</u>	<u>\$ 231,214</u>
Self help		Schedule 2
Internal		
Competition and clinic fees	\$ 26,481	\$ 16,864
Membership fees	141,459	129,999
Membership assessment	3,615	3,514
Team/Athlete fees	143,651	94,891
External		
Fundraising	616,364	615,587
Donations	25	-
Interest	1,695	904
Sales	3,012	8,652
Other government grants	6,883	4,400
	<u>\$ 943,185</u>	<u>\$ 874,811</u>

SASKATCHEWAN LACROSSE ASSOCIATION INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018
(with comparative figures for August 31, 2017)

	2018	2017
Administration		Schedule 3
Amortization	\$ 1,249	\$ 1,249
Audit and accounting	8,455	9,065
Bad debt	237	7,930
GST write-off	11,655	-
History book	(420)	7,499
Insurance	10,772	7,922
Legal fees	2,005	12,221
Office operations	52,463	36,120
Staff salaries and benefits	41,266	28,407
Staff and Board travel	14,165	11,391
	<u>\$ 141,847</u>	<u>\$ 121,804</u>
Capacity/Interaction		Schedule 4
Clothing	\$ 7,192	\$ 12,473
Communication/Marketing Coordinator	12,200	13,303
Fundraising Coordinator	24,547	24,207
Hosting	22,500	30,068
Marketing and promotions	25,166	35,596
Annual General Meeting	27,938	34,566
Board and committee meetings	21,719	11,894
National meetings	18,300	14,659
Membership	82	111
Staff and volunteer development/recognition	10,461	15,724
Website online registration	2,394	18,987
Planning and policy development	5,873	-
	<u>\$ 178,372</u>	<u>\$ 211,588</u>
Participation		Schedule 5
Athlete development		
Competition	\$ 92,739	\$ 53,185
Introductory programs	15,494	6,731
Technical salaries and benefits	31,873	33,653
Coaching development	13,809	10,230
Officials development	8,968	8,961
Technical materials	12,969	14,689
Target group - Aboriginal development	17,576	8,246
	<u>\$ 193,428</u>	<u>\$ 135,695</u>
Excellence		Schedule 6
Athlete development		
Athlete assistance	\$ -	\$ 40,000
Competition	219,931	141,019
Technical salaries and benefits	25,678	21,998
Training	42,635	16,997
Coaching and coach development		
Coaching development	350	950
Excellence programming	23,405	19,576
Officials development	13,779	12,967
	<u>\$ 325,778</u>	<u>\$ 253,507</u>

12
SASKATCHEWAN LACROSSE ASSOCIATION INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018
(with comparative figures for 2017)

	2018	2017
Membership Assistance Program		Schedule 7
East Central Lacrosse Association	\$ 1,233	\$ 1,549
Estevan Lacrosse Association	2,405	2,459
Melfort Lacrosse Association	708	1,591
Moose Jaw Lacrosse Association	2,232	3,390
Prince Albert Lacrosse Association	4,308	5,164
Queen City Minor Box Lacrosse Association	6,943	7,664
Regina Men's Field Lacrosse Association	265	-
Saskatoon Box Lacrosse Association	10,135	9,924
Saskatoon Field Lacrosse Association	3,513	5,513
Swift Current Lacrosse Association	2,257	3,298
Weyburn Lacrosse Association	2,801	0
Yorkton Lacrosse Association	1,499	1,849
	<u>\$ 38,299</u>	<u>\$ 42,401</u>
Categorical grants		Schedule 8
Aboriginal Excellence Grant	\$ -	\$ 23,114
Long term athlete development grant expenses	-	7,784
National dues/affiliations	12,171	8,888
Other	50	130
Other fundraising expenses	24,569	22,878
Prior year adjustments	6,824	3,812
Progressive 50/50 expenses	861	-
Saskatchewan Rush 50/50 expenses	201,145	203,386
Saskatchewan Rush 50/50 other expenses	54,672	41,212
	<u>\$ 300,292</u>	<u>\$ 311,204</u>