

Axemen Lacrosse Club
Financial Statements
Year Ended September 30, 2021

Axemen Lacrosse Club
Index to Financial Statements
Year Ended September 30, 2021

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10

INDEPENDENT AUDITOR'S REPORT

To the Members of Axemen Lacrosse Club

Qualified Opinion

We have audited the financial statements of Axemen Lacrosse Club (the Organization), which comprise the statement of financial position as at September 30, 2021, and the statements of operations, 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.

In our opinion, except for the possible 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 the Organization as at September 30, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations, 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 Organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended September 30, 2020 was modified accordingly because of the possible effects of this limitation of scope.

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 Organization in accordance with 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 audit opinion.

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 ASNPO, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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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 Organization'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 Organization'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 Organization 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.

Calgary, Alberta
August 30, 2022

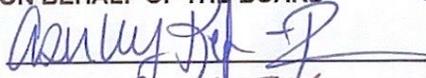


Mahmud Khalfan Professional Corporation
Chartered Professional Accountants

Axemen Lacrosse Club
Statement of Financial Position
September 30, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 135,853	\$ 110,906
Short-term investments (Note 4)	10,432	10,318
Accounts receivable	1,287	-
Inventory (Note 5)	16,427	19,480
Prepaid expenses	483	463
	164,482	141,167
TANGIBLE CAPITAL ASSETS (Note 6)	-	425
	\$ 164,482	\$ 141,592
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 15,346	\$ 5,914
Deferred revenue (Note 7)	3,844	8,617
	19,190	14,531
NET ASSETS		
Unrestricted fund	145,292	126,636
Invested in capital assets	-	425
	145,292	127,061
	\$ 164,482	\$ 141,592

ON BEHALF OF THE BOARD

 Director
 Director

See notes to financial statements

Axemen Lacrosse Club
Statement of Operations
Year Ended September 30, 2021

	2021	2020
REVENUES		
Registration	\$ 82,383	\$ 37,670
Grant Income (Note 8)	20,000	-
Sales	7,780	1,194
Winter Development Camp	7,585	32,763
Interest	114	169
Tournament	-	4,886
Fundraising and Donations	-	5,000
Sponsorships	-	4,000
	<u>117,862</u>	<u>85,682</u>
EXPENSES		
Memberships and Subscriptions	35,118	15,197
Arena fees	20,822	30,140
Consulting fees (Note 9)	18,000	18,000
Cost of Apparel and Shorts	5,208	3,643
Online registration	4,878	6,687
Coach development (Note 9)	4,150	8,825
Professional fees	3,938	3,453
Juniors	3,280	2,997
Office and Administration	2,056	6,514
Insurance	1,107	1,048
Amortization of Tangible Assets	424	424
Interest and Bank Charges	305	316
Volunteer Appreciation	248	2,818
Camp	97	79
Equipment	-	5,345
Evaluation	-	5,710
Travel	-	2,725
	<u>99,631</u>	<u>113,921</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 18,231	\$ (28,239)

See notes to financial statements

Axemen Lacrosse Club
Statement of Changes in Net Assets
Year Ended September 30, 2021

	Unrestricted Fund	Invested in Capital Assets	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 126,636	\$ 425	\$ 127,061	\$ 155,300
EXCESS OF REVENUES OVER EXPENSES	18,656	(425)	18,231	(28,239)
NET ASSETS - END OF YEAR	\$ 145,292	\$ -	\$ 145,292	\$ 127,061

See notes to financial statements

Axemen Lacrosse Club
Statement of Cash Flows
Year Ended September 30, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 18,231	\$ (28,239)
Item not affecting cash:		
Amortization of tangible capital assets	424	424
	<u>18,655</u>	<u>(27,815)</u>
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	9,433	1,282
Inventory	3,053	-
Prepaid expenses	(20)	1,029
Accounts receivable	(1,287)	7,382
Deferred revenue	(4,773)	(19,708)
	<u>6,406</u>	<u>(10,015)</u>
Cash flow from (used by) operating activities	<u>25,061</u>	<u>(37,830)</u>
INVESTING ACTIVITY		
Short-term investments	(114)	(169)
	<u>24,947</u>	<u>(37,999)</u>
INCREASE (DECREASE) IN CASH FLOW	24,947	(37,999)
Cash - beginning of year	<u>110,906</u>	<u>148,905</u>
CASH - END OF YEAR	\$ 135,853	\$ 110,906

See notes to financial statements

Axemen Lacrosse Club
Notes to Financial Statements
Year Ended September 30, 2021

1. PURPOSE OF THE ORGANIZATION

The purpose of the Axemen Lacrosse Club (the "Organization") is to serve its members by promoting and providing opportunities for the members to participate in the sport of lacrosse. Axemen Lacrosse Club was registered under the Societies Act of Alberta on June 12, 1991, and is thus exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and, in management's opinion, with consideration of materiality and within the framework of the policies noted in note 3.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash includes cash and cash equivalents include amounts on deposit with financial institutions, and term deposits that mature within three months from the date of acquisition.

Inventory

Inventory is measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventory includes all costs to purchase, convert, and bring the inventories to their present location and condition. Cost is determined using the weighted-average cost formula for all other inventory items. Inventory valuation reserves are maintained for inventory that is slow moving or obsolete.

Prepaid expenses

Prepaid expenses include administrative costs paid in advance of the fiscal year, such as prepaid insurance, storage fees and licencing.

Investments

Investments are reported at the lower of cost and market value. Short-term investments consist of guaranteed investment certificates which are readily convertible into cash and have original maturity dates greater than ninety days, but less than one year. Investments are carried at cost which approximate market value.

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Axemen Lacrosse Club
Notes to Financial Statements
Year Ended September 30, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial assets and liabilities are measured initially at fair value.

Financial assets measured at amortized cost consist of cash, term deposits, and accounts receivable.

Investments are reported at the lower of cost and market value.

Financial liabilities measured at amortized cost consist of the accounts payable and accrued liabilities.

The Organization tests the financial assets recorded at amortized costs for impairment at each year end. Any impairment losses are recognized in the statement of operations.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Equipment	25% straight-line method
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The Organization regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

The Organization's revenue is recognized when the goods and services have been delivered and collection is reasonably assured.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Measurement uncertainty

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

- reported amounts of revenues and expenses
- 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, the Organization uses estimates to determine the useful life of tangible capital assets and the valuation of accrued liabilities.

Axemen Lacrosse Club
Notes to Financial Statements
Year Ended September 30, 2021

4. INVESTMENTS

Short-term investments consisted of revolving redeemable Guaranteed Investment Certificates (GIC) of \$10,432 (2020 - 10,318) earning interest of 0.5% (2020 - 1.1%) per annum.

5. INVENTORY

Inventory consists of shorts for sale to the players. During the year, the Organization sold items with a cost of \$1,240 (2020 - nil).

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Equipment - other	\$ 1,698	\$ 1,698	\$ -	\$ 425

7. DEFERRED REVENUE

	2021	2020
Deferred Revenue Winter Camp	\$ 3,844	\$ 7,975
Deferred revenue - Minors registration	-	642
	\$ 3,844	\$ 8,617

8. GRANT INCOME

During 2021, the Organization applied for and received grant monies under the Alberta Relaunch Program in the amount of \$20,000.00. These monies are subject to a review at a later date and if the Organization is deemed not eligible a repayment will be required.

9. RELATED PARTY TRANSACTIONS

During the year, the Organization paid the Executive Director, \$18,000 (2020 - \$18,000) to perform the services related to the office and position of Executive Director of the Organization including all those duties and responsibilities customarily performed by a person holding the same or an equivalent position. The Organization also paid the Coaching Director \$4,150 (2020 - \$8,825) to assist in coaching and sport development. These transactions are in the normal course of operations reported at the exchange amount.

Axemen Lacrosse Club
Notes to Financial Statements
Year Ended September 30, 2021

10. FINANCIAL INSTRUMENTS

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 September 30, 2021.

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 accounts payable.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

11. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

12. COVID-19 PANDEMIC

In early 2020, Covid-19 was identified as a world-wide pandemic. In response, the Government of Alberta declared a public health emergency, and during 2020 and 2021 varying restrictions on the activities of organizations and individuals in the province were enacted. The financial impact that these measures had on the Organization cannot be determined with certainty nor separated from other cyclical factors and normal organizational changes.
