

**Axemen Lacrosse Club**  
**Financial Statements**  
**Year Ended September 30, 2022**

**Axemen Lacrosse Club**  
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**Year Ended September 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Axemen Lacrosse Club

### *Opinion*

We have audited the financial statements of Axemen Lacrosse Club (the Organization), which comprise the statement of financial position as at September 30, 2022, and the statements of revenues and expenditures, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at September 30, 2022, 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 Opinion*

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 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.

### *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.

*(continues)*

Independent Auditor's Report to the Members of Axemen Lacrosse Club (*continued*)

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  
October 19, 2023





Mahmud Khalfan Professional Corporation  
Chartered Professional Accountants

**Axemen Lacrosse Club**  
**Statement of Financial Position**  
**September 30, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 85,043	\$ 135,853
Short-term investments (Note 4)	10,486	10,432
Inventory (Note 5)	11,880	16,427
Prepaid expenses	16,281	483
Accounts receivable	-	1,287
	<b>\$ 123,690</b>	<b>\$ 164,482</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 7,824	\$ 15,346
Deferred revenue (Note 6)	16,793	3,844
	<b>24,617</b>	<b>19,190</b>
 <b>NET ASSETS</b>	 <b>99,073</b>	 <b>145,292</b>
	<b>\$ 123,690</b>	<b>\$ 164,482</b>

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

See notes to financial statements

**Axemen Lacrosse Club**  
**Statement of Revenues and Expenses**  
**Year Ended September 30, 2022**

	2022	2021
<b>REVENUES</b>		
Registration	\$ 163,619	\$ 82,383
Winter development camp	14,343	7,585
Sales and other	10,579	7,780
Grant Income	6,835	20,000
Interest	54	114
	<u>195,430</u>	<u>117,862</u>
<b>EXPENSES</b>		
Memberships and subscriptions	79,210	35,118
Arena fees	55,089	20,822
Cost of apparel and shorts (Note 5)	26,459	5,208
Consulting fees	18,000	18,000
Evaluation	15,969	-
Juniors	9,080	3,280
Coach development	7,000	4,150
Photography	4,750	-
Online registration	4,659	4,878
Banners and awards	4,430	-
Professional fees	4,200	3,938
Equipment	3,411	-
Office and administration	6,950	2,056
Insurance	1,151	1,107
Interest and bank charges	466	305
Team	450	-
Camp	200	97
Volunteer appreciation	175	248
Amortization of tangible assets	-	424
	<u>241,649</u>	<u>99,631</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (46,219)</b>	<b>\$ 18,231</b>

See notes to financial statements

**Axemen Lacrosse Club**  
**Statement of Changes in Net Assets**  
**Year Ended September 30, 2022**

	<b>2022</b>	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 145,292</b>	\$ 127,061
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(46,219)</u>	18,231
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 99,073</u></b>	<u>\$ 145,292</u>

See notes to financial statements

**Axemen Lacrosse Club**  
**Statement of Cash Flows**  
**Year Ended September 30, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess (Deficiency) of revenues over expenses	\$ (46,219)	\$ 18,231
Item not affecting cash:		
Amortization of property, plant and equipment	-	424
	<u>(46,219)</u>	<u>18,655</u>
Changes in non-cash working capital:		
Accounts receivable	1,287	(1,287)
Inventory	4,547	3,053
Accounts payable and accrued liabilities	(7,522)	9,433
Prepaid expenses	(15,798)	(20)
Deferred revenue	12,949	(4,773)
	<u>(4,537)</u>	<u>6,406</u>
Cash flow from (used by) operating activities	<u>(50,756)</u>	<u>25,061</u>
<b>INVESTING ACTIVITY</b>		
Purchase of marketable securities	(54)	(114)
	<u>(54)</u>	<u>(114)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(50,810)</b>	<b>24,947</b>
Cash - beginning of year	<u>135,853</u>	<u>110,906</u>
<b>CASH - END OF YEAR</b>	<b>\$ 85,043</b>	<b>\$ 135,853</b>

See notes to financial statements



**Axemen Lacrosse Club**  
**Notes to Financial Statements**  
**Year Ended September 30, 2022**

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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.

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2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

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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.

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.

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.

Revenue recognition

Axemen Lacrosse Club 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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**Axemen Lacrosse Club**  
**Notes to Financial Statements**  
**Year Ended September 30, 2022**

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

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.

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4. SHORT TERM INVESTMENTS

Short-term investments consisted of revolving redeemable Guaranteed Investment Certificates (GIC) of \$10,486 (2021 - 10,432) earning interest of 3.5% (2021 - 0.5%) per annum.

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5. INVENTORY

Inventory consists of shorts for sale to the players. During the year, the Organization sold items with a cost of \$9,480 (2021 - \$1,240).

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6. DEFERRED REVENUE

Deferred revenues relates to monies received prior to year-end for the upcoming winter camp.

	2022	2021
Deferred Revenue Winter Camp	\$ 16,793	\$ 3,844

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7. RELATED PARTY TRANSACTIONS

During the year, the Organization paid the Executive Director a board member, \$18,000 (2021 - \$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 who is also a board member, \$7,000 (2021 - \$4,150) to assist in coaching and sport development. These transactions are in the normal course of operations reported at the exchange amount.

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**Axemen Lacrosse Club**  
**Notes to Financial Statements**  
**Year Ended September 30, 2022**

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8. 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, 2022.

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.

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9. 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.

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10. COMPARATIVE FIGURES

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

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