

AXEMEN LACROSSE CLUB
FINANCIAL STATEMENTS
September 30, 2015

AXEMEN LACROSSE CLUB
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors **AXEMEN LACROSSE CLUB**:

I have audited the accompanying financial statements of the Axemen Lacrosse Club, which comprise the statement of financial position as at September 30, 2015, and the statement of operation, statement of changes in net assets, and the statement of cash flows for the year ended September 30, 2015, 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 from 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 audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Axemen Lacrosse Club derives revenue from fundraising activities 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 Axemen Lacrosse Club.

Therefore, I was not able to determine whether, as at September 30, 2015 and for the year ended any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the year ended September 30, 2015, current assets and net assets as at September 30, 2015.

Qualified Opinion

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Axemen Lacrosse Club as at September 30, 2015, and the results of its operations and its cash flows for the year ended September 30, 2015 in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta
November 30, 2015

Deborah V. Walker Professional Corporation
Certified Professional Accountant, CGA

AXEMEN LACROSSE CLUB
STATEMENT OF FINANCIAL POSITION
As at September 30, 2015

	<u>2015</u>	<u>2014</u>
ASSETS		
Current		
Cash	\$ 115,282	\$ 176,518
Short-term investments (note 3)	41,662	40,874
Accounts receivable	352	20,795
Interest receivable	557	676
Inventory	19,885	-
Deposits and prepaids	<u>4,535</u>	<u>10,336</u>
	182,273	249,199
 CAPITAL ASSETS (note 4)	 <u>73,382</u>	 <u>29,919</u>
	\$ <u>255,655</u>	\$ <u>279,118</u>
 LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 18,627	\$ 14,998
Volunteer bonds	<u>3,600</u>	<u>-</u>
	22,227	14,998
 NET ASSETS		
Invested in capital assets	73,382	29,919
Unrestricted net assets	<u>160,046</u>	<u>234,201</u>
	233,428	264,120
	\$ <u>255,655</u>	\$ <u>279,118</u>

APPROVED BY THE BOARD

_____ Director

_____ Director

**AXEMEN LACROSSE CLUB
STATEMENT OF OPERATIONS
Year ended September 30, 2015**

	<u>2015</u>	<u>2014</u>
REVENUE		
Registration fees	\$ 267,736	\$ 213,625
Sales and miscellaneous income	41,073	12,578
Winter development camp	18,705	20,610
Sponsorships	8,428	13,600
Fundraising revenue	2,172	20,904
Interest	1,108	1,342
Tournament	-	14,795
Advertising	-	1,325
	339,222	298,779
DIRECT EXPENSES		
Cost of sales	40,666	15,910
	298,556	282,869
EXPENSES		
Registration	106,670	82,410
Arena fees	70,825	29,858
Junior	54,146	70,336
Amortization	33,253	14,074
Online registration fees	13,720	5,336
Professional fees	11,329	3,360
Team photos	8,654	6,811
Volunteer appreciation	8,170	90
Coach development	5,360	3,035
Administrative	2,687	2,130
Evaluation costs	4,251	9,178
Equipment	3,065	6,022
Banner/SFC logo	2,072	1,533
Scholarship	1,000	-
Insurance	815	813
Referee expense	678	297
Clinic expense	-	277
Donations	625	-
Tournament	614	-
Bank charges	550	5,440
Storage	302	1,525
Draw winners	273	1,899
Mini Tyke/Tyke	189	6,404
Bad debt	-	418
	329,248	251,246
Excess of revenue over expenses before other expenses	(30,692)	31,623
Loss on disposal of assets	-	(37,324)
Excess of revenue over expenses	\$ (30,692)	\$ (5,701)

AXEMEN LACROSSE CLUB
STATEMENT OF CHANGES IN NET ASSETS
As at September 30, 2015

	Invested in		<u>2015</u>	<u>2014</u>
	Capital Assets	Unrestricted	Total	Total
Net assets, opening balance	\$ 29,919	\$ 234,201	\$ 264,120	\$ 269,821
Invested in capital assets	76,716	(76,716)	-	-
Excess (deficiency) of revenue over expenses	<u>(33,253)</u>	<u>2,561</u>	<u>(30,692)</u>	<u>(5,701)</u>
Net assets, end of year	<u><u>\$ 73,382</u></u>	<u><u>\$ 160,046</u></u>	<u><u>\$ 233,428</u></u>	<u><u>\$ 264,120</u></u>

AXEMEN LACROSSE CLUB
STATEMENT OF CASH FLOWS
Year ended September 30, 2015

	<u>2015</u>	<u>2014</u>
Operating activities		
Cash receipts	\$ 358,557	\$ 287,553
Interest received	1,227	1,503
Cash disbursements	<u>(343,515)</u>	<u>(249,996)</u>
Cash provided by operations	16,269	39,060
Investing activities		
Capital assets purchased	(76,716)	(24,402)
Purchase of short term investments	<u>(788)</u>	<u>33,407</u>
Cash provided by (used in) investments	(77,504)	9,005
Increase (decrease) in cash during the year	(61,235)	48,065
Cash - beginning of year	<u>176,518</u>	<u>128,453</u>
Cash and cash equivalents - end of year	\$ <u>115,283</u>	\$ <u>176,518</u>
Cash is represented by:		
Operating account	\$ 80,127	\$ 141,797
Guaranteed investment certificate	<u>35,155</u>	<u>34,721</u>
	\$ <u>115,282</u>	\$ <u>176,518</u>

AXEMEN LACROSSE CLUB
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

1. Organization Purpose

The purpose of 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. The Axemen Lacrosse Club was registered under the Societies Act of Alberta on June 12, 1991, and thus is exempt from income tax under section 149(1) of the Income Tax Act.

2. Significant Accounting Policies

The financial statements of the organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations on a going-concern basis that assumes that the organization will be able to realize its assets and discharge its liabilities in the normal course of business and include the following significant accounting policies:

Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit with financial institutions and term deposits that mature within three months from the date of acquisition. Cash and cash equivalents exclude term deposits that are unavailable for current use because they are pledged as security.

Short-term Investments

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

Prepays

Prepays include administrative costs paid in advance of the fiscal year, such as prepaid insurance, storage fees and licensing.

Revenue Recognition

The Axemen Lacrosse Club revenue is recognized when the goods and services have been delivered and collectibility is reasonably assured.

Capital Assets

Capital assets are recorded at cost and amortization is provided on a straight line basis at the following rates:

Equipment	4 years straight line
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Donated Services

Some members of the Organization have donated significant amounts of time to the organization in order to further the Organization's programs and objectives. No amounts have been included in the financial statements for donated member or volunteer services related to events and activities, the value of which is unknown, because there is no objective basis available to measure such services.

Measurement of Uncertainty

The preparation of financial statements, in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

AXEMEN LACROSSE CLUB
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Financial Instruments

The organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized as unrealized gains or losses in the statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. Capital assets are assessed for impairment on an annual basis at the end of the fiscal year. If there is a significant adverse change in the expected amount or timing of future cash flows from the capital assets, the carrying value of the financial asset is reduced to the highest of the present value of expected cash flows, the amount that could be realized from selling the asset.

3. Short-Term Investments

Short-term investments consist of a redeemable Guaranteed Investment Certificate (GIC) \$41,662 maturing June 2016 earning 1.55% interest per annum. The cost approximates the market value.

4. Capital Assets

Capital assets consist of the following:

September 30, 2015			
	Cost	Accumulated Amortization	Net Book Value
Equipment	\$ <u>133,011</u>	\$ <u>59,629</u>	\$ <u>73,382</u>
 September 30, 2014			
	Cost	Accumulated Amortization	Net Book Value
Equipment	\$ <u>56,295</u>	\$ <u>26,376</u>	\$ <u>29,919</u>

AXEMEN LACROSSE CLUB
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

5. Related Party Transactions

The Organization contracted accounting services from a company owned by a member of the board. The cost of these services was \$7,613 and is included in professional fees on the statement of operations.

6. Financial Instruments

The Organization is exposed to various risks through its financial instruments. The following describes the exposures to those risks, how they arise, any changes in risk exposures from the previous period, and any concentrations of 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 from its accounts payable and accrued liabilities.