

**AXEMEN LACROSSE CLUB**  
**FINANCIAL STATEMENTS**  
**September 30, 2016**

**AXEMEN LACROSSE CLUB**  
**September 30, 2016**

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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, 2016, and the statement of operation, statement of changes in net assets, and the statement of cash flows for the year ended September 30, 2016, 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, 2016 and for the year ended September 30, 2016 any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the year ended September 30, 2016, current assets and net assets as at September 30, 2016.

**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, 2016, and the results of its operations and its cash flows for the year ended September 30, 2016 in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta  
January 5, 2017



**Deborah V. Walker Professional Corporation**  
Certified Professional Accountant, CGA



**AXEMEN LACROSSE CLUB**  
**STATEMENT OF FINANCIAL POSITION**  
**As at September 30, 2016**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Current		
Cash	\$ 160,293	\$ 115,282
Short-term investments (note 3)	10,000	41,662
Accounts receivable	2,895	352
Interest receivable	-	557
Inventory	12,837	19,885
Deposits and prepaids	<u>7,093</u>	<u>4,535</u>
	193,118	182,273
 CAPITAL ASSETS (note 4)	 <u>52,198</u>	 <u>73,382</u>
	<u>\$ 245,316</u>	<u>\$ 255,655</u>
 <b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 11,161	\$ 18,627
Volunteer bonds	<u>-</u>	<u>3,600</u>
	11,161	22,227
 <b>NET ASSETS</b>		
Invested in capital assets	52,198	73,382
Unrestricted net assets	<u>181,957</u>	<u>160,046</u>
	<u>234,155</u>	<u>233,428</u>
	<u>\$ 245,316</u>	<u>\$ 255,655</u>

APPROVED BY THE BOARD

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director



**AXEMEN LACROSSE CLUB**  
**STATEMENT OF OPERATIONS**  
**Year ended September 30, 2016**

	<u>2016</u>	<u>2015</u>
<b>REVENUE</b>		
Registration fees	\$ 288,693	\$ 267,736
Sales and miscellaneous income	41,248	41,073
Tournament	22,289	-
Winter development camp	19,538	18,705
Fundraising revenue	7,337	2,172
Sponsorships	6,500	8,428
Interest	602	1,108
	<u>386,207</u>	<u>339,222</u>
<b>DIRECT EXPENSES</b>		
Cost of sales	<u>43,676</u>	<u>40,666</u>
	<u>342,531</u>	<u>298,556</u>
<b>EXPENSES</b>		
Registration	117,551	106,670
Arena fees	46,806	70,825
Junior	36,494	54,146
Amortization	31,504	33,253
Tournament	24,523	614
Consulting	15,000	-
Coach development	11,584	5,360
Online registration fees	9,879	13,720
Team photos	9,688	8,654
Evaluation costs	8,488	4,251
Professional fees	6,997	11,329
Banner/SFC logo	4,593	2,072
Equipment	4,330	3,065
Volunteer appreciation	3,697	8,170
Referee development	3,682	-
Administrative	2,884	2,687
Insurance	1,379	815
Bank charges	1,066	550
Referee expense	642	678
Mini Tyke/Tyke	549	189
Storage	343	302
Donations	125	625
Scholarship	-	1,000
Draw winners	-	273
	<u>341,804</u>	<u>329,248</u>
<b>Excess of revenue over expenses</b>	<u>\$ 727</u>	<u>\$ (30,692)</u>

**AXEMEN LACROSSE CLUB**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**As at September 30, 2016**

	<b>Invested in</b>		<b><u>2016</u></b>	<b><u>2015</u></b>
	<b>Capital Assets</b>	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
Net assets, opening balance	\$ 73,382	\$ 160,046	\$ <b>233,428</b>	\$ 264,120
Invested in capital assets	10,319	(10,319)	-	-
Excess (deficiency) of revenue over expenses	<u>(31,503)</u>	<u>32,230</u>	<u>727</u>	<u>(30,692)</u>
<b>Net assets, end of year</b>	<b><u>\$ 52,198</u></b>	<b><u>\$ 181,957</u></b>	<b><u>\$ 234,155</u></b>	<b><u>\$ 233,428</u></b>

**AXEMEN LACROSSE CLUB**  
**STATEMENT OF CASH FLOWS**  
**Year ended September 30, 2016**

	<u>2016</u>	<u>2015</u>
<b>Operating activities</b>		
Cash receipts	\$ 383,062	\$ 358,557
Interest received	1,159	1,227
Cash disbursements	<u>(360,553)</u>	<u>(343,516)</u>
<b>Cash provided by operations</b>	<b>23,668</b>	<b>16,268</b>
<b>Investing activities</b>		
Capital assets purchased	(10,319)	(76,716)
Redemption (purchase) of short term investments	<u>31,662</u>	<u>(788)</u>
<b>Cash provided by (used in) investments</b>	<b>21,343</b>	<b>(77,504)</b>
<b>Increase (decrease) in cash during the year</b>	<b>45,011</b>	<b>(61,236)</b>
Cash - beginning of year	<u>115,282</u>	<u>176,518</u>
<b>Cash and cash equivalents - end of year</b>	<b>\$ <u>160,293</u></b>	<b>\$ <u>115,282</u></b>
<b>Cash is represented by:</b>		
Operating account	\$ <u>160,293</u>	\$ <u>115,282</u>
	<u>\$ 160,293</u>	<u>\$ 115,282</u>



**AXEMEN LACROSSE CLUB**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**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, 2016**

**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 revolving redeemable Guaranteed Investment Certificate (GIC) of \$10,000 earning the floating rate of 0.45% interest per annum currently. This GIC is being held by bank as security on the credit card obtained by Axemen Lacrosse Club (credit card limit of \$10,000). The cost approximates the market value. GIC's for the prior was \$41,662.

**4. Capital Assets**

Capital assets consist of the following:

<b>September 30, 2016</b>			
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Equipment	\$ <u>143,330</u>	\$ <u>(91,132)</u>	\$ <u>52,198</u>
<b>October 1, 2015</b>			
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Equipment	\$ <u>133,011</u>	\$ <u>(59,629)</u>	\$ <u>73,382</u>

**5. Related Party Transactions**

The Organization contracted accounting services from a company owned by a member of the board. The cost of these services are \$3,000 (2015 - \$7,613) and is included in professional fees on the statement of operations. The Organization also contracted the services for an executive director from a former board member.

**AXEMEN LACROSSE CLUB**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**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.