

AXEMEN LACROSSE CLUB

FINANCIAL STATEMENTS

September 30, 2018

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Deborah V. Walker Professional Corporation
127 Cranwell Close SE
Calgary, Alberta T3M 1B1
587-353-0525 or 403-399-7742

INDEPENDENT AUDITOR'S REPORT

To the Members of Axemen Lacrosse Club

I have audited the accompanying financial statements of Axemen Lacrosse Club, which comprise the statement of financial position as at September 30, 2018, and the statements of operations, changes in net assets, and cash flows for the year 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 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 qualified 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, 2018 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, 2018, current assets and net assets as at September 30, 2018.

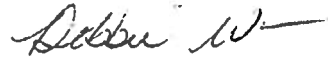
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Qualified Opinion

In my opinion, except for the possible effects of the matter 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, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta
January 11, 2019

Deborah V. Walker Professional Corporation
Chartered Professional Accountant



AXEMEN LACROSSE CLUB
STATEMENT OF OPERATIONS
For the year ended September 30, 2018

	<u>2018</u>	<u>2017</u>
REVENUE		
Registration	\$ 318,543	\$ 298,817
Tournament income	2,522	40,635
Sales and other income	17,503	16,240
Winter development camp	33,870	12,173
Fundraising	4,524	3,245
Sponsorships	10,443	1,554
Gain on sale of assets	-	480
Interest income	-	45
	<u>387,405</u>	<u>373,189</u>
EXPENSES		
Memberships and subscriptions	142,184	122,506
Arena fees	101,110	56,130
Junior expenses	38,243	50,675
Amortization of tangible assets	35,728	39,205
Consulting fees	18,000	18,000
Coach development	15,800	9,388
Cost of sales	14,186	12,331
Photography expense	9,513	8,455
Online registration expense	9,435	9,950
Volunteer appreciation expense	8,332	11,794
Office and administration	7,926	5,073
Evaluation expense	6,479	9,241
Banners and awards	5,247	3,694
Professional fees	4,923	3,376
Equipment expense	3,773	38
Camp expenses	3,301	5,199
Tournament expense	2,350	27,554
Scholarship	2,000	-
Travel	1,683	748
Insurance	1,120	2,343
Donations	1,000	300
Bank charges & interest	784	799
Team expense	450	920
Storage	-	343
Referee expenses	-	439
Bad debts	-	5,250
	<u>433,567</u>	<u>403,751</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (46,162)</u>	<u>\$ (30,562)</u>

See accompanying Notes to Financial Statements

AXEMEN LACROSSE CLUB
STATEMENT OF CHANGES IN NET ASSETS
For the year ended September 30, 2018

NET ASSETS	<u>Invested in capital assets</u>	<u>Unrestricted</u>	<u>Total 2018</u>	<u>Total 2017</u>
Balance, beginning of year	\$ 56,474	\$ 147,119	\$ 203,593	\$ 234,155
Deficiency of revenues over expenses	(35,728)	(10,434)	(46,162)	(30,562)
Investment in capital assets	<u>10,493</u>	<u>(10,493)</u>	<u>-</u>	<u>-</u>
	<u>31,239</u>	<u>126,192</u>	<u>157,431</u>	<u>203,593</u>
Balance, end of year	<u>\$ 31,239</u>	<u>\$ 126,192</u>	<u>\$ 157,431</u>	<u>\$ 203,593</u>

AXEMEN LACROSSE CLUB
STATEMENT OF FINANCIAL POSITION
September 30, 2018

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT		
Cash	\$ 132,997	\$ 182,552
Short-term investments (Note 3)	10,000	-
Accounts receivable	2,843	-
Inventory	11,211	10,976
Prepaid expenses	<u>368</u>	<u>1,176</u>
TOTAL CURRENT ASSETS	157,419	194,704
TANGIBLE CAPITAL ASSETS (Note 4)	<u>31,239</u>	<u>56,474</u>
TOTAL ASSETS	<u>\$ 188,658</u>	<u>\$ 251,178</u>

LIABILITIES

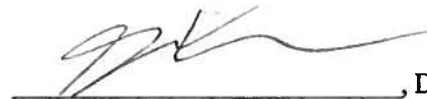
CURRENT		
Accounts payable and accrued liabilities	\$ 5,127	\$ 24,686
Unearned revenue	<u>26,100</u>	<u>22,899</u>
TOTAL LIABILITIES	<u>31,227</u>	<u>47,585</u>

NET ASSETS

Net assets invested in capital assets	31,239	56,474
Unrestricted net assets	<u>126,192</u>	<u>147,119</u>
TOTAL NET ASSETS	<u>157,431</u>	<u>203,593</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 188,658</u>	<u>\$ 251,178</u>

Approved on behalf of the Board:

 _____, Director

 _____, Director

AXEMEN LACROSSE CLUB
CASH FLOW STATEMENT
For the year ended September 30, 2018

	<u>2018</u>	<u>2017</u>
OPERATING ACTIVITIES		
Cash receipts from customers	387,763	398,458
Cash paid to suppliers and employees	(416,826)	(343,243)
Interest received	<u>-</u>	<u>45</u>
	<u>(29,063)</u>	<u>55,260</u>
 INVESTING ACTIVITIES		
Proceeds from disposal of tangible capital assets	960	480
Purchase of tangible capital assets:		
Equipment	(11,452)	(43,481)
Redemption (purchase) of short term investments	<u>(10,000)</u>	<u>10,000</u>
	<u>(20,492)</u>	<u>(33,001)</u>
 (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(49,555)	22,259
CASH AND CASH EQUIVALENTS, beginning of year	<u>182,552</u>	<u>160,293</u>
 CASH AND CASH EQUIVALENTS, end of year	<u>\$ 132,997</u>	<u>\$ 182,552</u>

AXEMEN LACROSSE CLUB
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

1. PURPOSE OF THE NOT-FOR-PROFIT ORGANIZATION

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. ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

- a) Cash and cash equivalents include amounts on deposit with financial institutions, and term deposits that mature within three months from the date of acquisition.
- b) Investments are reported at the lower of cost and market. 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.
- c) Prepays include administrative costs paid in advance of the fiscal year, such as prepaid insurance, storage fees and licensing.
- d) The Axemen Lacrosse Club revenue is recognized when the goods and services have been delivered and collection is reasonably assured.
- e) Purchased tangible capital assets are recorded at cost. Amortization is recorded at the following rates, which have been established by estimates of useful lives.

Equipment	4 years% straight line
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- f) Financial assets and liabilities are measured initially at fair value. Subsequent measurement is at amortized cost.

Financial assets measured at amortized cost consist of cash, term deposits, and accounts receivable. 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 capital assets, the carrying value of the financial asset is reduced to the highest of the present value of expected cashflows, the amount that could be realized from selling the asset.

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

- g) When preparing financial statements according to Canadian generally accepted accounting principles, management make estimates and assumptions that affect the reported amounts of revenues and expenses during the year, the reported amounts of assets and liabilities at the date of the financial statements, and the disclosure of contingent assets and liabilities at the date of the financial statements. Management base their assumptions on a number of factors including historical experience, current events, actions that the Organization may undertake in the future, and other assumptions believed reasonable under the circumstances. Material measurement uncertainties include estimates of useful lives of capital assets and estimates of collectibility of accounts receivable. Actual results could differ from our estimates; the resolution of these uncertainties will be determined by future events.

- h) Inventory is measured at the lower of cost and net realizable value..

AXEMEN LACROSSE CLUB
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

- i) Volunteers contribute significant hours per year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

3. INVESTMENTS

Short-term investments consisted of revolving redeemable Guaranteed Investment Certificates (GIC) of \$10,000 earning the floating rate of 1.7% interest per annum.

4. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2018</u>	<u>2017</u>
Equipment	\$ 1,698	\$ 424	\$ 1,274	\$ -
Equipment	<u>163,713</u>	<u>133,748</u>	<u>29,965</u>	<u>56,474</u>
	<u>\$ 165,411</u>	<u>\$ 134,172</u>	<u>\$ 31,239</u>	<u>\$ 56,474</u>

5. DEFERRED REVENUE

	<u>2018</u>	<u>2017</u>
Unearned revenue	\$ <u>26,100</u>	\$ <u>22,899</u>
	<u>\$ 26,100</u>	<u>\$ 22,899</u>

Deferred revenue consists of amounts collected for a future winter camp in January 2019.

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.