

CALGARY & DISTRICT LACROSSE ASSOCIATION

NON-CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018

Draft - for discussion only!

CALGARY & DISTRICT LACROSSE ASSOCIATION

INDEX

	Page
Independent Auditor's Report	2 - 3
Non-Consolidated Statement of Financial Position	4
Non-Consolidated Statement of Operations	5
Non-Consolidated Statement of Changes in Net Assets	6
Non-Consolidated Statement of Cash Flows	7
Notes to Non-Consolidated Financial Statements	8 - 10

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INDEPENDENT AUDITOR'S REPORT

To the Members of Calgary & District Lacrosse Association:

I have audited the accompanying financial statements of Calgary & District Lacrosse Association, which comprises of the non-consolidated statement of financial position as at September 30, 2018 and the non-consolidated statement of operations, changes in net assets, and cash flows for the year ended September 30, 2018 and notes, comprising of 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated 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 non-consolidated 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 non-consolidated 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, the Calgary & District Lacrosse Association derives part of its revenue from fundraising the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues is limited to the amounts recorded in the records of the Association.

Therefore, I was not able to determine whether, as at September 30, 2018 described in and for the year ended September 30, 2018, any adjustments might be necessary to increase (decrease) revenues, excess (deficiency) of revenue over expenditures, statement of cash flows and current assets and net assets.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the non-consolidated financial statements present fairly, in all material respects, the financial position of the Association as at September 30, 2018 and the its results of operations and its cash flows for the years ended September 30, 2018 in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta
November 14, 2018

Deborah V. Walker Professional Corporation
Chartered Professional Accountant

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CALGARY & DISTRICT LACROSSE ASSOCIATION
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
September 30, 2018

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT		
Cash	\$ 161,435	\$ 164,045
Internally restricted cash (Note 6)	14,467	4,999
Externally restricted cash (Note 4)	44,156	88,291
Accounts receivable	37,433	1,816
Restricted short-term investments (Note 3)	10,246	10,120
Prepaid expenses	<u>525</u>	<u>-</u>
	<u>\$ 268,262</u>	<u>\$ 269,271</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 44,179	\$ 3,967
Deferred casino revenue (Note 4)	44,156	28,291
Other Deferred Revenue	<u>-</u>	<u>60,000</u>
	<u>88,335</u>	<u>92,258</u>
NET ASSETS		
Restricted net assets	5,000	5,000
Unrestricted net assets	<u>174,927</u>	<u>172,013</u>
	<u>179,927</u>	<u>177,013</u>
	<u>\$ 268,262</u>	<u>\$ 269,271</u>

Approved by the Directors:

_____, Director

_____, Director

CALGARY & DISTRICT LACROSSE ASSOCIATION
NON-CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended September 30, 2018

	<u>2018</u>	<u>2017</u>
REVENUE		
Registration fees	\$ 422,790	\$ 426,220
Canada Day revenue	165,834	168,873
Cost recoveries	118,570	93,698
Other tournament income	84,279	-
Casino revenue (Note 4)	52,437	39,421
50/50 income	12,000	12,000
Clinic income	2,850	15,585
Other revenue	3,086	220
Interest	<u>126</u>	<u>48</u>
	<u>861,972</u>	<u>756,065</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Floor rental	339,519	375,159
Canada Day expense	155,674	156,642
Referee expenses	81,874	89,705
Consulting fees	81,286	74,058
Other tournament expense	78,225	29
Special project donations (Note 5)	53,461	49,896
General and administration	32,686	29,108
Coach clinics expenses	16,778	17,722
Trophies and medals	5,454	7,806
Professional fees	4,143	4,043
Fundraising expense	3,900	-
Equipment purchase and rental	2,792	783
CDLA conference	2,692	2,693
Advertising and promotion	574	530
Background check	<u>-</u>	<u>66</u>
	<u>859,058</u>	<u>808,240</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 2,914</u>	<u>\$ (52,175)</u>

CALGARY & DISTRICT LACROSSE ASSOCIATION
NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
For the year ended September 30, 2018

NET ASSETS	<u>Restricted</u> (Note 6)	<u>Unrestricted</u>	<u>Total</u> 2018	Total <u>2017</u>
Balance, beginning of year	\$ 5,000	\$ 172,013	\$ 177,013	\$ 229,188
Excess (deficiency) of revenues over expenses	<u>-</u>	<u>2,914</u>	<u>2,914</u>	<u>(52,175)</u>
Balance, end of year	<u>\$ 5,000</u>	<u>\$ 174,927</u>	<u>\$ 179,927</u>	<u>\$ 177,013</u>

CALGARY & DISTRICT LACROSSE ASSOCIATION
NON-CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended September 30, 2018

	<u>2018</u>	<u>2017</u>
OPERATING ACTIVITIES		
Cash receipts	\$ 782,094	\$ 784,380
Cash paid to suppliers and contracts	(819,371)	(808,641)
Interest received	<u>126</u>	<u>48</u>
Cash flow from operating activities	<u>(37,151)</u>	<u>(24,213)</u>
Purchase of short-term investments	<u>(126)</u>	<u>(48)</u>
Cash flow from investing activities	<u>(126)</u>	<u>(48)</u>
DECREASE IN CASH	(37,277)	(24,261)
CASH, beginning of year	<u>257,335</u>	<u>281,596</u>
CASH, end of year	\$ <u>220,058</u>	\$ <u>257,335</u>
Represented by:		
Cash	\$ 161,435	\$ 164,045
Internally restricted cash	14,467	4,999
Externally restricted cash	<u>44,156</u>	<u>88,291</u>
	<u>\$ 220,058</u>	<u>\$ 257,335</u>

CALGARY & DISTRICT LACROSSE ASSOCIATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018

1. PURPOSE OF THE ORGANIZATION

Calgary & District Lacrosse Association (the "Association") is a not-for-profit organization and was incorporated under the Societies Act of Alberta without share capital on March 11, 1983. The Association's objective is to promote and develop lacrosse throughout the district of Calgary. The Association is exempt from income tax under S149(1)(l) of the Income Tax Act and is a member of the Alberta Lacrosse Association. The Association is the governing body of all minor box lacrosse clubs in Calgary and area. These financial statements have been prepared on a non-consolidated basis.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Association have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) on a going-concern basis that assumes that the Association will be able to realize its assets and discharge its liabilities in the normal course of business 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. Cash and cash equivalents exclude term deposits that are unavailable for current use because they are pledged as security.
- b) The Association follows the deferral method of accounting for revenues. Restricted revenues are recognized as revenue in the year which the related expenses are incurred. Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted revenues, including revenues from casinos net of application expenses, and interest earned on unexpended casino funds, are deferred and amortized to revenue as qualifying expenses are recognized.

- c) The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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. Significant areas requiring the use of management estimates relate to accrued liabilities. Actual results could differ from those reported.
- d) In accordance with optional Canadian accounting standards for not-for-profit organizations for small organizations, Calgary & District Lacrosse Association reports capital assets as expenses in the year they are purchased (2018 - \$2,319; 2017 - \$nil). Proceeds from the disposition of capital assets are reported as revenue in the year they are sold. No amortization is recorded, nor are the capital assets reported on the non-consolidated statement of financial position.
- e) 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 non-consolidated financial statements.

CALGARY & DISTRICT LACROSSE ASSOCIATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018

- f) Financial assets and liabilities are measured initially at fair value, except for certain non-arm's length transactions. Subsequent measurement is at amortized cost.

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

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

3. SHORT-TERM INVESTMENTS

The Association has \$10,000 invested in short-term floating rate, redeemable term deposit which is held as security for the credit card. The term deposit renews monthly with the next renewal being October 6, 2017. The interest earned to date is \$126. The credit card has a limit of \$10,000. The balance as of September 30, 2018 is \$179 (2017 - \$69).

4. DEFERRED CONTRIBUTIONS

Deferred revenue related to expenses of future periods represents unspent Casino net proceeds and interest earned on unexpended funds which may only be spent in a manner approved by the Alberta Gaming and Liquor Commission (the "AGLC").

Deferred contributions represents the unexpended portion of the funds as at September 30:

	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 28,291	\$ 67,712
Received from net casino proceeds	68,302	-
Funds used	<u>(52,437)</u>	<u>(39,421)</u>
Ending balance	<u>\$ 44,156</u>	<u>\$ 28,291</u>

5. SPECIAL PROJECT DONATIONS

During the year, the Board approved donations for the following:

	<u>2018</u>	<u>2017</u>
Funding for new girls club	\$ 40,000	\$ -
Coach instructional clinics	6,000	-
Minityke/Tyke Festival	3,346	17,253
Novice development	2,926	5,460
Lacrosse Fundamentals Booke	1,000	-
Other	189	-
Amounts paid to clubs from jerseys	-	8,001
ALA provincial tournament entry fees	-	7,150
Change the Game Project	-	6,432
Clinic project	<u>-</u>	<u>5,600</u>
	<u>\$ 53,461</u>	<u>\$ 49,896</u>

CALGARY & DISTRICT LACROSSE ASSOCIATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018

6. RESTRICTED NET ASSETS

The Board of Directors have restricted \$5,000 to be used as a float for the Canada Day Tournament in order to have funds available for planning and booking the event.

7. RELATED PARTY TRANSACTIONS

During the year the Association paid the Alberta Lacrosse Association ("ALA") general and administration expenses of \$2,258 (2017 - \$2,250), \$nil (2017 - \$7,150) for provincial tournaments and coach clinic costs of \$12,921 (2017 - \$13,619). These transactions with the ALA are reported at the exchange amount.

8. CONTRACTUAL OBLIGATIONS

There is no current lease obligation, office space is currently being provided free of charge by the Board of Directors.

9. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that there are no significant currency, credit or interest risks arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

Association's 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.