

**CALGARY & DISTRICT LACROSSE ASSOCIATION**  
**Financial Statements**  
**Year Ended September 30, 2019**

**CALGARY & DISTRICT LACROSSE ASSOCIATION**  
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**Year Ended September 30, 2019**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Calgary & District Lacrosse Association

### *Qualified Opinion*

We have audited the financial statements of Calgary & District Lacrosse Association (the Association), which comprise the statement of financial position as at September 30, 2019, and the statements of operations, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at September 30, 2019, 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 Qualified Opinion*

In common with many not-for-profit organizations, the Association 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 Association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended September 30, 2019, current assets and net assets as at September 30, 2019. The predecessor auditor's opinion on the financial statements for the year ended September 30, 2018 was modified accordingly because of the possible effects of this limitation of scope.

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 Association 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 qualified audit opinion.

### *Other Matter*

The financial statements for the year ended September 30, 2018 were audited by another auditor who expressed a qualified opinion on those financial statements on November 15, 2018 for the reasons described in the *Basis for Qualified Opinion* section.

### *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 Association's ability to

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Independent Auditor's Report to the Members of Calgary & District Lacrosse Association *(continued)*

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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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.

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 Association'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 Association'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 Association 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.

*Mahmud Khalfan Prof Corp*

Calgary, Alberta  
December 9, 2019

Mahmud Khalfan Professional Corporation  
Chartered Professional Accountants

**CALGARY & DISTRICT LACROSSE ASSOCIATION**  
**Statement of Financial Position**  
**September 30, 2019**

	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 122,090	\$ 161,435
Externally restricted cash (Note 4)	50,598	44,156
Internally restricted cash (Note 6)	5,000	14,467
Investments (Note 3)	10,417	10,246
Accounts receivable	40,598	37,433
Prepaid expenses	1,000	525
	<b>\$ 229,703</b>	<b>\$ 268,262</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 52,232	\$ 44,180
Deferred casino revenue (Note 4)	50,598	44,156
	<b>102,830</b>	<b>88,336</b>
 <b>NET ASSETS</b>		
Unrestricted net assets	121,873	174,926
Restricted net assets (Note 6)	5,000	5,000
	<b>126,873</b>	<b>179,926</b>
	<b>\$ 229,703</b>	<b>\$ 268,262</b>

ON BEHALF OF THE BOARD

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

See notes to financial statements

**CALGARY & DISTRICT LACROSSE ASSOCIATION****Statement of Operations  
Year Ended September 30, 2019**

	2019	2018
<b>REVENUES</b>		
Registration fees	\$ 408,735	\$ 422,790
Canada Day	160,216	165,834
Cost recoveries	145,478	118,570
50/50 (Note 4)	76,000	12,000
Casino (Note 4)	27,909	52,437
Clinic	4,910	2,850
Others	176	3,086
Interest	171	126
Other tournament	-	84,279
	<u>823,595</u>	<u>861,972</u>
<b>EXPENSES</b>		
Floor rental	355,919	339,519
Canada Day	150,903	155,674
Referees	88,558	81,874
Consulting fees	84,914	81,286
Sponsorship	76,000	-
General and administrative	45,483	32,685
Coach clinics	26,871	16,778
Special project donations (Note 5)	18,796	53,460
Professional fees	9,149	4,143
Trophies and medals	8,455	5,454
Equipment purchase and rental	3,218	2,792
CDLA conference	3,081	2,692
Advertising and promotion	2,400	574
Casino	2,351	-
Donations	550	-
Other tournament	-	78,225
Fundraising	-	3,900
	<u>876,648</u>	<u>859,056</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (53,053)</u>	<u>\$ 2,916</u>

See notes to financial statements

**CALGARY & DISTRICT LACROSSE ASSOCIATION**  
**Statement of Changes in Net Assets**  
**Year Ended September 30, 2019**

	Unrestricted net assets	Restricted net assets	<b>2019</b>	2018
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 174,926	\$ 5,000	<b>\$ 179,926</b>	\$ 177,010
	-	-	-	-
Excess (Deficiency) of revenues over expenses	(53,053)	-	<b>(53,053)</b>	2,916
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 121,873</b>	<b>\$ 5,000</b>	<b>\$ 126,873</b>	<b>\$ 179,926</b>

See notes to financial statements

**CALGARY & DISTRICT LACROSSE ASSOCIATION****Statement of Cash Flows****Year Ended September 30, 2019**

	<b>2019</b>	<b>2018</b>
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 826,702	\$ 782,094
Cash paid to suppliers and employees	<u>(869,072)</u>	<u>(819,371)</u>
<b>DECREASE IN CASH FLOWS</b>	<b>(42,370)</b>	<b>(37,277)</b>
Cash - beginning of year	<u>220,058</u>	<u>257,335</u>
<b>CASH - END OF YEAR</b>	<b>\$ 177,688</b>	<b>\$ 220,058</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 122,090	\$ 161,435
Externally restricted cash	50,598	44,156
Internally restricted cash	<u>5,000</u>	<u>14,467</u>
	<b>\$ 177,688</b>	<b>\$ 220,058</b>

See notes to financial statements



# CALGARY & DISTRICT LACROSSE ASSOCIATION

## Notes to Financial Statements

Year Ended September 30, 2019

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### 1. PURPOSE OF THE ASSOCIATION

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.

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### 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:

#### 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.

#### Measurement of financial assets and liabilities

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.

#### Use of estimates

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.

#### Revenue recognition

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.

#### Contributed services and goods

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.

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**CALGARY & DISTRICT LACROSSE ASSOCIATION**

**Notes to Financial Statements**

**Year Ended September 30, 2019**

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3. SHORT-TERM INVESTMENTS

The Association has \$10,000 invested in floating rate (Canadian Western Bank Prime -2.25%), redeemable term deposit which is held as security for the credit card. The interest earned to date is \$171 (2018 - \$126).

The credit card has a limit of \$10,000. The balance as of September 30, 2019 is \$466 (2018 - \$179).

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4. DEFERRED CASINO REVENUE

Deferred revenue related to casino funds represents the unspent portion of externally restricted funding received from operating casinos to generate funds for capital and operating expenditures. If these funds are not spent in accordance with the Alberta Gaming and Liquor Commission (the "AGLC") regulations, funds could be requested to be repaid.

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

	<u>2019</u>	<u>2018</u>
Beginning balance	\$ 44,156	\$ 28,291
Received from net casino proceeds	110,351	68,302
Funds used	<u>(103,909)</u>	<u>(52,437)</u>
	<u>\$ 50,598</u>	<u>\$ 44,156</u>

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5. SPECIAL PROJECT DONATIONS

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

	<u>2019</u>	<u>2018</u>
Special projects	\$ 15,684	\$ 188
Mini - Tyke/ Tyke Festival	3,112	3,346
Funding for new girls club	-	40,000
Coach instructional clinics	-	6,000
Novice development	-	2,926
Lacrosse Fundamentals Book	-	1,000
	<u>\$ 18,796</u>	<u>\$ 53,460</u>

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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.

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# CALGARY & DISTRICT LACROSSE ASSOCIATION

## Notes to Financial Statements

Year Ended September 30, 2019

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### 7. RELATED PARTY TRANSACTIONS

During the year, the Association paid the Alberta Lacrosse Association ("ALA") (the governing body of the Association), general and administration expenses of \$6,539 (2018 - \$2,258), for provincial tournaments and coach clinic costs of \$21,276 (2018 - \$12,921). These transactions with the ALA are reported at the exchange amount.

During the year, ALA paid the association \$5,772 (2018 - \$2,434) for floor bookings.

As at the year end, the Association owed ALA \$462 (2018 - Nil).

During the year, the Association paid Kevin R Murray Enterprises Inc (a company owned by the executive director of the Association) consulting fees of \$78,754 (2018-nil). These consulting fees are charged as per the amounts agreed in the contract with the company and relate to services provided for communications and office administration, scheduling, coaching and referee clinic registration, incident tracking/reporting, liaison, financial and event planning. These transactions with Kevin R Murray Enterprises are reported at the exchange amount.

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### 8. CONTRACTUAL OBLIGATIONS

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

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### 9. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, accounts receivable, term deposits, 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.

#### Liquidity risk

Association's Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly from its accounts payable.

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### 10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. The prior year comparative figures were audited by another public accountant.

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