

SASKATCHEWAN LACROSSE ASSOCIATION INC.
FINANCIAL STATEMENTS
OCTOBER 31, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of
Saskatchewan Lacrosse Association Inc.

Qualified Opinion

I have audited the accompanying financial statements of Saskatchewan Lacrosse Association Inc. (the Entity), which comprise the statement of financial position as at October 31, 2019 and the statements of operations, statement of net assets and statement of cash flows for the period of September 1, 2018 to October 31, 2019, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Lacrosse Association Inc. as at October 31, 2019 and its financial performance and its cash flows for the period of September 1, 2018 to October 31, 2019 in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many non-profit organizations, Saskatchewan Lacrosse Association Inc. derives part of its revenue from membership fees, donations and other fundraising activities, the completeness and classification of which are not susceptible to satisfactory audit verification. Accordingly my verification of these transactions was limited to accounting for the amounts recorded in the records of the Association and I was not able to determine whether any adjustments might be necessary to the revenues, statement of operations, assets and net assets.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to 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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

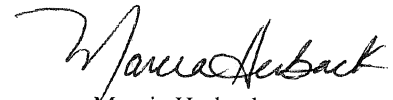
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Entity'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.

I 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 I identify during my audit.

Regina, Saskatchewan
January 25, 2020

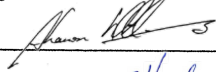
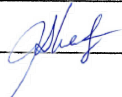

Marcia Herback
CPA, CA

SASKATCHEWAN LACROSSE ASSOCIATION INC.
STATEMENT OF FINANCIAL POSITION
AS AT OCTOBER 31, 2019
(with comparative figures for August 31, 2018)

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 154,838	\$ 334,922
Accounts receivable	171,603	314,477
Inventory	12,955	19,198
Prepaid expenses	31,265	15,803
Sport Legacy Fund (Note 3)	<u>42,618</u>	<u>38,517</u>
	413,279	722,917
Tangible capital assets (Note 4)	<u>-</u>	<u>1,249</u>
	<u>\$ 413,279</u>	<u>\$ 724,166</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 85,171	\$ 205,716
Team refundable deposits	2,400	2,400
Deferred Sport Legacy Fund (Note 3)	42,618	38,517
Deferred revenue (Note 5)	<u>35,015</u>	<u>119,800</u>
	<u>165,204</u>	<u>366,433</u>
NET ASSETS		
Invested in tangible capital assets	-	1,249
Appropriated net assets (Note 6)	24,211	33,460
Unrestricted net assets	<u>223,864</u>	<u>323,024</u>
	<u>248,075</u>	<u>357,733</u>
	<u>\$ 413,279</u>	<u>\$ 724,166</u>

See accompanying notes

Approved on Behalf of the Board


 _____ Director

 _____ Director

SASKATCHEWAN LACROSSE ASSOCIATION INC.
STATEMENT OF OPERATIONS
FOR THE PERIOD OF SEPTEMBER 1, 2018 TO OCTOBER 31, 2019
(with comparative figures for the 12 month period ended August 31, 2018)

	2019	2018
Revenue		
Saskatchewan Lotteries Trust Fund (Schedule 1)	\$ 220,200	\$ 211,400
Canadian Lacrosse Association	5,224	6,165
Self help (Schedule 2)	<u>838,413</u>	<u>1,078,447</u>
	<u>1,063,837</u>	<u>1,296,012</u>
Expenditure		
Administration (Schedule 3)	263,313	214,381
Capacity/Interaction (Schedule 4)	151,213	178,372
Participation (Schedule 5)	168,329	169,977
Excellence (Schedule 6)	281,872	276,695
Membership Assistance Program (Schedule 7)	44,538	38,299
Categorical and other expenses (Schedule 8)	<u>264,230</u>	<u>435,554</u>
	<u>1,173,495</u>	<u>1,313,278</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (109,658)</u>	<u>\$ (17,266)</u>

See accompanying notes

SASKATCHEWAN LACROSSE ASSOCIATION INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE PERIOD OF SEPTEMBER 1, 2018 TO OCTOBER 31, 2019
(with comparative figures for the 12 month period ended August 31, 2018)

		Invested in Tangible Capital Assets	Internally Restricted Assets	<u>2019</u>	<u>2018</u>
Net Assets	Unrestricted				
Balance, beginning of year	\$ 323,024	1,249	33,460	\$ 357,733	\$ 374,999
Excess (deficiency) of revenues over expenditures	(109,658)	-	-	(109,658)	(17,266)
Amortization	1,249	(1,249)	-	-	-
Interfund transfers (Note 6)	<u>9,249</u>	<u>-</u>	<u>(9,249)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 223,864</u>	<u>-</u>	<u>24,211</u>	<u>\$ 248,075</u>	<u>\$ 357,733</u>

See accompanying notes

SASKATCHEWAN LACROSSE ASSOCIATION INC.
STATEMENT OF CASH FLOWS
FOR THE PERIOD OF SEPTEMBER 1, 2018 TO OCTOBER 31, 2019
(with comparative figures for the 12 month period ended August 31, 2018)

	2019	2018
Operating activities		
Excess of revenues over expenditures	\$ (109,658)	\$ (17,266)
Items not involving an outlay (receipt) of cash		
Amortization	<u>1,249</u>	<u>1,249</u>
	(108,409)	(16,017)
Net change in non-cash operating working capital balances		
Accounts receivable	142,874	22,751
Sport Legacy Fund	(4,101)	(4,010)
Prepaid expenses	(15,462)	5,083
Inventory	6,243	(5,005)
Accounts payable and accrued liabilities	(120,545)	(108,227)
Deferred Sport Legacy Fund	4,101	4,010
Deferred revenue	<u>(84,785)</u>	<u>74,000</u>
Cash used in operating activities	<u>(180,084)</u>	<u>(27,415)</u>
Decrease in cash	(180,084)	(27,415)
Cash position, beginning of year	<u>334,922</u>	<u>362,337</u>
Cash position, end of year	<u>\$ 154,838</u>	<u>\$ 334,922</u>

See accompanying notes

**SASKATCHEWAN LACROSSE ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2019**

1. Status and nature of activities

Saskatchewan Lacrosse Association Inc. is the provincial sport governing body dedicated to the promotion of lacrosse for all and the development of competitive excellence. The Association is incorporated under the Non-Profit Corporations Act of Saskatchewan. Under present legislation, no income taxes are payable on the reported income of such operations.

2. Summary of significant accounting policies

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

Tangible capital assets

Tangible capital assets are initially recorded at cost. Amortization is provided for using the straight-line method over the estimated useful lives of the assets at the following annual rates:

Computer hardware	3 years
Computer software	3 years
Equipment	3 years

Revenue recognition

Grants from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation are received out of the net proceeds of lottery ticket sales in Saskatchewan. These grants have been recorded as revenue by the Association as approved by Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. Accordingly, any amounts not received by year end are shown as grant receivable and any amounts received relating to the next fiscal period are shown as deferred grant revenue.

Financial instruments

The Saskatchewan Lacrosse Association Inc. initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and cash equivalents and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Management estimates

The preparation of the 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 at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

3. Sport Legacy Fund

The fund of deposit and the offsetting deferred revenue from the Sport Legacy Fund consists of donations based on various programs and top-up contributions made by Sask Sport Inc. To qualify for the additional top-up contributions made by Sask Sport Inc, the Association is required to leave the original amount of donation in the Sport Legacy Fund for a minimum of 5 years.

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SASKATCHEWAN LACROSSE ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2019

4. Tangible capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2019 Net Book Value</u>	<u>2018 Net Book Value</u>
Computer hardware	\$ 16,344	16,344	\$ -	\$ 1,249
Computer software	729	729	-	-
Equipment	8,484	8,484	-	-
	<u>\$ 25,557</u>	<u>25,557</u>	<u>\$ -</u>	<u>\$ 1,249</u>

5. Deferred revenue

During 2019, Saskatchewan Lacrosse Association Inc. received \$NIL (2018 - \$119,800) from the Saskatchewan Lotteries Trust Fund for expenses which will occur in the following fiscal year.

The remaining deferral of \$35,015 is monies received from SaskSport Inc. for Indigenous Sport Enhancement for expenses which will occur in the following fiscal year.

6. Appropriated net assets

The Board of Directors of Saskatchewan Lacrosse Association Inc. has established a Box Lacrosse Contingency Fund and a Field Lacrosse Contingency Fund for the purpose of accumulating funds for the future development in these areas. A fee of one dollar per player is assessed annually as a contribution towards the fund.

During the year \$2,557 (2018 - \$2,418) was contributed to the Box Lacrosse Contingency Fund and \$1,292 (2018 - \$1,197) was contributed to the Field Lacrosse Contingency Fund. The Field Lacrosse Contingency Fund had expenses of \$1,623 (2018 - \$NIL) and had an ending balance of \$7,728 (2018 - \$8,059). Box Lacrosse Contingency Fund had expenses of \$11,475 (2018 - \$2,500) and had an ending balance of \$16,483 (2018 - \$25,401).

7. Economic dependence

Saskatchewan Lacrosse Association Inc. receives a significant portion of its revenue from grants received from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. As a result, the Association is dependent upon the continuance of these grants to maintain operations at their current level.

8. Financial instruments

Saskatchewan Lacrosse Association Inc. is exposed to various risks through its financial instruments. The following analysis provides a measure of the Saskatchewan Lacrosse Association Inc.'s exposure and concentrations at October 31, 2019:

Credit risk

Credit risk arises from the potential that a party may default on their financial obligations, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Association could incur a financial loss. The Association is exposed to credit risk with respect to cash and cash equivalents and accounts receivable. The Association manages its credit risk by placing cash with major financial institutions. Credit risk for accounts receivable is managed by the credit quality and diverse debtor base and creating an allowance for bad debts where applicable.

**SASKATCHEWAN LACROSSE ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2019**

8. Financial instruments cont'd

Liquidity risk

Liquidity risk is the risk that the Association may not be able to meet a demand for cash or fund its obligations as they come due or not being able to liquidate assets in a timely manner at a reasonable price. The Association is exposed to liquidity risk with respect to its accounts payable and accrued liabilities but manages its liquidity risk by holding assets that can be readily converted into cash.

Interest rate risk

Interest rate risk is a type of market risk that refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Association is exposed to interest rate risk with respect to its cash and cash equivalents and its effect on interest income. Fluctuations in interest rates do not have a significant effect on cash due to the fact that interest income is not a major percentage of total revenue.

9. Change in fiscal year

During the year the Organization made a motion and changed the fiscal year from August 31 to October 31.

10. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

SASKATCHEWAN LACROSSE ASSOCIATION INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE PERIOD OF SEPTEMBER 1, 2018 TO OCTOBER 31, 2019
(with comparative figures for the 12 month period ended August 31, 2018)

	2019	2018
Saskatchewan Lotteries Trust Fund, Sport Division		Schedule 1
Annual funding	\$ 175,700	\$ 150,600
Membership assistance program	44,500	38,300
Hosting grant	-	22,500
	<u>\$ 220,200</u>	<u>\$ 211,400</u>
Self help		Schedule 2
Internal		
Competition and clinic fees	\$ 12,129	\$ 26,481
Membership fees	50,888	141,459
Membership assessment	3,849	3,615
Team/Athlete fees	184,190	143,651
External		
Fundraising		
Fundraising and SLA/Team Sask Sponsorships	76,985	54,444
Saskatchewan Rush 50/50 Revenue	400,061	597,182
Saskatchewan Rush 50/50 SLGA Grant	75,000	100,000
Donations	4,810	25
Interest	2,864	1,695
ISEP - Indigenous Sport Enhancement Grant	8,335	-
Sales	13,839	3,012
Other government grants	5,308	6,883
Miscellaneous revenue	155	-
	<u>\$ 838,413</u>	<u>\$ 1,078,447</u>

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SASKATCHEWAN LACROSSE ASSOCIATION INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE PERIOD OF SEPTEMBER 1, 2018 TO OCTOBER 31, 2019
(with comparative figures for the 12 month period ended August 31, 2018)

	2019	2018
Administration		Schedule 3
Amortization	\$ 1,249	\$ 1,249
Audit and accounting	8,872	8,455
Bad debt	255	237
Criminal record checks	4,489	-
GST write-off	-	11,655
History book	-	(420)
Insurance	16,813	10,772
Legal fees	10,072	2,005
Office operations	46,982	52,463
Staff salaries and benefits	163,194	113,800
Staff and Board travel	11,387	14,165
	<u>\$ 263,313</u>	<u>\$ 214,381</u>
Capacity/Interaction		Schedule 4
Awards and recognition	\$ 25,725	\$ -
Clothing	26,248	7,192
Communication/Marketing Coordinator	-	12,200
Fundraising Coordinator	-	24,547
Hosting	11,000	22,500
Marketing and promotions	24,065	25,166
Meetings		
Annual general meeting	8,182	27,938
Executive and other meetings	11,945	21,719
Sector meetings	16,381	-
National meetings	15,830	18,300
Membership	564	82
Staff and volunteer development/recognition	4,264	10,461
Website online registration	7,009	2,394
Planning and policy development	-	5,873
	<u>\$ 151,213</u>	<u>\$ 178,372</u>
Participation		Schedule 5
Athlete development		
Competition	\$ 75,335	\$ 92,739
Introductory programs	7,564	15,494
Try Lacrosse School Program	32,544	8,422
Coaching development	13,725	13,809
Officials development	9,231	8,968
Technical materials	8,764	12,969
Target group - Aboriginal development	21,166	17,576
	<u>\$ 168,329</u>	<u>\$ 169,977</u>

SASKATCHEWAN LACROSSE ASSOCIATION INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE PERIOD OF SEPTEMBER 1, 2018 TO OCTOBER 31, 2019
(with comparative figures for the 12 month period ended August 31, 2018)

	2019	2018
Excellence		Schedule 6
Athlete development		
Athlete assistance	\$ 5,000	\$ -
Competition	214,989	219,931
Talent identification	16,739	19,133
Training	32,641	23,502
Coaching and coach development		
Coaching development	7,013	350
Officials development	5,490	13,779
	<u>\$ 281,872</u>	<u>\$ 276,695</u>
Membership Assistance Program		Schedule 7
East Central Lacrosse Association	\$ 1,236	\$ 1,233
Estevan Lacrosse Association	2,663	2,405
Kelvington Lacrosse Association	706	-
Melfort Lacrosse Association	1,103	708
Moose Jaw Lacrosse Association	2,791	2,232
Prince Albert Lacrosse Association	4,630	4,308
Queen City Minor Box Lacrosse Association	9,436	6,943
Regina Men's Field Lacrosse Association	554	265
Saskatoon Box Lacrosse Association	11,031	10,135
Saskatoon Field Lacrosse Association	3,540	3,513
Swift Current Lacrosse Association	2,428	2,257
Weyburn Lacrosse Association	2,879	2,801
Yorkton Lacrosse Association	1,541	1,499
	<u>\$ 44,538</u>	<u>\$ 38,299</u>
Categorical and other expenses		Schedule 8
Aboriginal Excellence Grant	\$ 8,335	\$ -
National dues/affiliations	16,407	12,171
Other	-	50
Other fundraising expenses	123,646	79,241
Prior year adjustments	10,151	6,824
Progressive 50/50 expenses	-	861
Saskatchewan Rush 50/50 expenses		
Bank charges	757	-
Gardia Security	1,107	-
Miscellaneous expenses	40	201,145
SaskTel Center Contract	50,452	67,631
Tap 50/50	53,335	67,631
	<u>\$ 264,230</u>	<u>\$ 435,554</u>

SASKATCHEWAN LACROSSE ASSOCIATION INC.
SCHEDULE TO FINANCIAL STATEMENTS
REVENUE AND EXPENSES RUSH 50/50
FOR THE PERIOD OF SEPTEMBER 1, 2018 TO OCTOBER 31, 2019
(with comparative figures for the 12 month period ended August 31, 2018)

	2019	2018
Revenue		
Ticket sales	\$ 800,476	\$ 1,297,150
Prizes	<u>(400,415)</u>	<u>(648,575)</u>
	<u>400,061</u>	<u>648,575</u>
Expenses		
Administration expenses		
Bank charges	757	-
Cash shortages	-	1,536
Miscellaneous expenses	40	-
SaskTel Center contract	50,452	67,631
Security	1,107	-
Tap 50/50	<u>53,335</u>	<u>67,631</u>
Total administration expenses	<u>105,691</u>	<u>136,798</u>
Proceeds of April 14, 2018 game to Humboldt Broncos	<u>-</u>	<u>49,857</u>
Excess of revenue over expenses	<u>\$ 294,370</u>	<u>\$ 461,920</u>