

SASKATCHEWAN LACROSSE ASSOCIATION INC.

FINANCIAL STATEMENTS

OCTOBER 31, 2020

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, 2020 and the statements of operations, statement of net assets and statement of cash flows for the the year then ended, 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, 2020 and its financial performance and its cash flows for the year then ended 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 12, 2021



Marcia Herback
CPA, CA

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SASKATCHEWAN LACROSSE ASSOCIATION INC.
STATEMENT OF FINANCIAL POSITION
AS AT OCTOBER 31, 2020
(with comparative figures for 2019)

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 251,415	\$ 154,838
Accounts receivable	128,032	171,603
Inventory	13,258	12,955
Prepaid expenses	<u>84,516</u>	<u>31,265</u>
	477,221	370,661
Invested in Sport Legacy Fund (Note 3)	46,152	42,618
Tangible capital assets (Note 4)	<u>-</u>	<u>-</u>
	<u>\$ 523,373</u>	<u>\$ 413,279</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 120,623	\$ 85,171
Team refundable deposits	2,400	2,400
Deferred revenue (Note 5)	<u>43,251</u>	<u>35,015</u>
	166,274	122,586
Long-term liabilities		
Deferred Sport Legacy Fund (Note 3)	<u>46,152</u>	<u>42,618</u>
	<u>212,426</u>	<u>165,204</u>
NET ASSETS		
Invested in tangible capital assets	-	-
Appropriated net assets (Note 6)	24,631	24,211
Unrestricted net assets	<u>286,316</u>	<u>223,864</u>
	<u>310,947</u>	<u>248,075</u>
	<u>\$ 523,373</u>	<u>\$ 413,279</u>

See accompanying notes

Approved on Behalf of the Board


Jody Schwaninger (Jan 27, 2021 15:04 CST) Director


Jody Schwaninger (Feb 1, 2021 21:43 CST) Director

SASKATCHEWAN LACROSSE ASSOCIATION INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED OCTOBER 31, 2020
(with comparative figures for the 14 month period ended October 31, 2019)

	2020	2019
Revenue		
Saskatchewan Lotteries Trust Fund (Schedule 1)	\$ 209,300	\$ 220,200
Canadian Lacrosse Association	-	5,224
Self help (Schedule 2)	<u>342,730</u>	<u>951,849</u>
	<u>552,030</u>	<u>1,177,273</u>
Expenditure		
Administration (Schedule 3)	152,758	263,313
Capacity/Interaction (Schedule 4)	74,542	167,620
Participation (Schedule 5)	46,777	281,765
Excellence (Schedule 6)	22,141	281,872
Membership Assistance Program (Schedule 7)	58,701	44,538
Categorical and other expenses (Schedule 8)	<u>134,239</u>	<u>247,823</u>
	<u>489,158</u>	<u>1,286,931</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 62,872</u>	<u>\$ (109,658)</u>

See accompanying notes

SASKATCHEWAN LACROSSE ASSOCIATION INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED OCTOBER 31, 2020
(with comparative figures for the 14 month period ended October 31, 2019)

		Invested in Tangible Capital Assets	Internally Restricted Assets	<u>2020</u>	<u>2019</u>
Net Assets					
Balance, beginning of year	\$ 223,864	-	24,211	\$ 248,075	\$ 357,733
Excess (deficiency) of revenues over expenditures	62,872	-	-	62,872	(109,658)
Interfund transfers (Note 6)	(420)	-	420	-	-
Balance, end of year	<u>\$ 286,316</u>	<u>-</u>	<u>24,631</u>	<u>\$ 310,947</u>	<u>\$ 248,075</u>

See accompanying notes

SASKATCHEWAN LACROSSE ASSOCIATION INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED OCTOBER 31, 2020
(with comparative figures for the 14 month period ended October 31, 2019)

	2020	2019
Operating activities		
Excess of revenues over expenditures	\$ 62,872	\$ (109,658)
Items not involving an outlay (receipt) of cash		
Amortization	<u>-</u>	<u>1,249</u>
	62,872	(108,409)
Net change in non-cash operating working capital balances		
Accounts receivable	43,571	142,874
Invested in Sport Legacy Fund	(3,534)	(4,010)
Prepaid expenses	(53,251)	(15,462)
Inventory	(303)	6,243
Accounts payable and accrued liabilities	35,452	(120,545)
Deferred Sport Legacy Fund	3,534	4,010
Deferred revenue	<u>8,236</u>	<u>(84,785)</u>
Cash provided by (used in) operating activities	<u>96,577</u>	<u>(180,084)</u>
Increase (decrease) in cash	96,577	(180,084)
Cash position, beginning of year	<u>154,838</u>	<u>334,922</u>
Cash position, end of year	<u>\$ 251,415</u>	<u>\$ 154,838</u>

See accompanying notes

**SASKATCHEWAN LACROSSE ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2020**

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

Saskatchewan Lacrosse Association Inc. follows the restricted fund method of accounting for contributions.

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.

Fees, meets and fundraising revenue are recognized in the year when the various activities are held, if the amount to be received can be reasonably estimated and collection is reasonably assured. Interest income is recorded in the year earned.

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.

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SASKATCHEWAN LACROSSE ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2020

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.

4. Tangible capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2020 Net Book Value</u>	<u>2019 Net Book Value</u>
Computer hardware	\$ 16,344	16,344	\$ -	\$ -
Computer software	729	729	-	-
Equipment	8,484	8,484	-	-
	<u>\$ 25,557</u>	<u>25,557</u>	<u>\$ -</u>	<u>\$ -</u>

5. Deferred revenue

During 2020, Saskatchewan Lacrosse Association Inc. received \$NIL (2019 - \$NIL) from the Saskatchewan Lotteries Trust Fund for expenses which will occur in the following fiscal year. The remaining deferred funds consist of the following:

	<u>2020</u>	<u>2019</u>
Female Camp Registration Fees 2020-2021	\$ 340	\$ -
Heritage Emergency Relief Funding	14,740	-
Indigenous Sport Enhancement Program (ISEP)	25,671	35,015
School Clinics	2,500	-
	<u>\$ 43,251</u>	<u>\$ 35,015</u>

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 \$434 (2019 - \$2,557) was contributed to the Box Lacrosse Contingency Fund and \$1,586 (2019 - \$1,292) was contributed to the Field Lacrosse Contingency Fund. The Field Lacrosse Contingency Fund had expenses of \$NIL (2019 - \$1,623) and had an ending balance of \$9,314 (2019 - \$7,728). Box Lacrosse Contingency Fund had expenses of \$1,600 (2019 - \$11,475) and had an ending balance of \$15,317 (2019 - \$16,483).

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.

**SASKATCHEWAN LACROSSE ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2020**

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, 2020:

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.

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 2019 year the Organization made a motion and changed the fiscal year from August 31 to October 31. Comparatives for the 2020 financial statements are for the 14 month period of September 1, 2018 to October 31, 2019.

10. Comparative figures

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

11. Significant event

On March 11, 2020, the World Health Organization declared a global pandemic for the COVID-19 virus. The Organization is following health advisories and mandatory requirements from local, provincial and national health and government organizations. The future financial and operations impact on the Organization, if any, is unknown at this time.

SASKATCHEWAN LACROSSE ASSOCIATION INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED OCTOBER 31, 2020
(with comparative figures for the 14 month period ended October 31, 2019)

	2020	2019
Saskatchewan Lotteries Trust Fund, Sport Division		Schedule 1
Annual funding	\$ 150,600	\$ 175,700
Membership assistance program	58,700	44,500
	<u>\$ 209,300</u>	<u>\$ 220,200</u>
Self help		Schedule 2
Internal		
Competition and clinic fees	\$ 2,500	\$ 28,919
Membership fees and assessments	46,320	151,383
Team/Athlete fees	12,150	184,190
External		
Fundraising		
Fundraising and SLA/Team Sask Sponsorships	10,555	76,985
Saskatchewan Rush 50/50 Revenue	156,679	400,061
Saskatchewan Rush 50/50 SLGA Grant	28,812	75,000
Donations	4,265	4,810
Interest	500	2,864
Miscellaneous revenue	-	155
Other grants		
Gov't of Canada - Summer Student Grant	1,000	5,308
Gov't of Canada - CERS	563	-
Gov't of Canada - CEWS	38,712	-
Heritage Emergency Funding	30,530	-
ISEP - Indigenous Sport Enhancement Grant	9,344	8,335
Sales	800	13,839
	<u>\$ 342,730</u>	<u>\$ 951,849</u>

SASKATCHEWAN LACROSSE ASSOCIATION INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED OCTOBER 31, 2020
(with comparative figures for the 14 month period ended October 31, 2019)

	2020	2019
Administration		Schedule 3
Amortization	\$ -	\$ 1,249
Audit and accounting	7,381	8,872
Bad debt	1,176	255
Criminal record checks	578	4,489
Insurance	8,268	16,813
Legal fees	-	10,072
Office operations	29,069	46,982
Staff salaries and benefits	104,508	163,194
Staff and Board travel	1,778	11,387
	<u>\$ 152,758</u>	<u>\$ 263,313</u>
Capacity/Interaction		Schedule 4
Awards and recognition	\$ 19,117	\$ 25,725
Communications	5,623	7,009
Hosting	-	11,000
Marketing and promotions	10,940	50,313
Meetings		
Annual general meeting	5,333	8,182
Executive and other meetings	3,050	11,945
Sector meetings	13,725	16,381
National meetings	4,581	15,830
Memberships and national dues	4,836	16,971
Planning and policy development	4,266	-
Staff and board development	3,071	4,264
	<u>\$ 74,542</u>	<u>\$ 167,620</u>
Participation		Schedule 5
Athlete development		
Club assistance	\$ -	\$ 113,436
Competition	17,092	75,335
Introductory programs	1,104	7,564
Target group - Aboriginal development	3,587	21,166
Technical materials	2,552	8,764
Try Lacrosse School Program	18,145	32,544
Coaching development	2,784	13,725
Officials development	1,513	9,231
	<u>\$ 46,777</u>	<u>\$ 281,765</u>

SASKATCHEWAN LACROSSE ASSOCIATION INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED OCTOBER 31, 2020
(with comparative figures for the 14 month period ended October 31, 2019)

	2020	2019
Excellence		Schedule 6
Athlete development		
Athlete assistance	\$ -	\$ 5,000
Competition	-	214,989
Talent identification	11,095	16,739
Training	1,600	32,641
Coaching and coach development		
Coaching development	9,446	7,013
Officials development	-	5,490
	<u>\$ 22,141</u>	<u>\$ 281,872</u>
Membership Assistance Program		Schedule 7
East Central Lacrosse Association	\$ 1,701	\$ 1,236
Estevan Lacrosse Association	3,204	2,663
Kelvington Lacrosse Association	851	706
Melfort Lacrosse Association	2,074	1,103
Moose Jaw Lacrosse Association	4,017	2,791
Prince Albert Lacrosse Association	7,717	4,630
Queen City Minor Box Lacrosse Association	10,878	9,436
Regina Men's Field Lacrosse Association	1,053	554
Saskatoon Box Lacrosse Association	13,468	11,031
Saskatoon Field Lacrosse Association	4,682	3,540
Swift Current Lacrosse Association	4,427	2,428
Weyburn Lacrosse Association	2,129	2,879
Yorkton Lacrosse Association	2,500	1,541
	<u>\$ 58,701</u>	<u>\$ 44,538</u>
Categorical and other expenses		Schedule 8
Heritage Emergency Funding Expenses	\$ 30,530	\$ -
ISEP Indigenous Sport Enhancement Grant	9,344	8,335
Other fundraising expenses	51,365	123,646
Prior year adjustments	1,244	10,151
Saskatchewan Rush 50/50 expenses		
Bank charges	477	757
Gardia Security	591	1,107
Miscellaneous expenses	53	40
SaskTel Center	19,753	50,452
Tap 50/50	20,882	53,335
	<u>\$ 134,239</u>	<u>\$ 247,823</u>

SASKATCHEWAN LACROSSE ASSOCIATION INC.
SCHEDULE TO FINANCIAL STATEMENTS
REVENUE AND EXPENSES RUSH 50/50
FOR THE YEAR ENDED OCTOBER 31, 2020
(with comparative figures for the 14 month period ended October 31, 2019)

	2020	2019
Revenue		
Ticket sales	\$ 313,449	\$ 800,476
Prizes	<u>(156,770)</u>	<u>(400,415)</u>
	<u>156,679</u>	<u>400,061</u>
Expenses		
Administration expenses		
Bank charges	477	757
Miscellaneous expenses	53	40
SaskTel Center	19,753	50,452
Security	591	1,107
Tap 50/50	<u>20,882</u>	<u>53,335</u>
Total administration expenses	<u>41,756</u>	<u>105,691</u>
Excess of revenue over expenses	<u>\$ 114,923</u>	<u>\$ 294,370</u>

2020 FS SK Lacrosse

Final Audit Report

2021-02-02

Created:	2021-01-27
By:	Bridget Pottle (ed@sasklacrosse.net)
Status:	Signed
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