

**SASKATCHEWAN LACROSSE ASSOCIATION INC.**  
**FINANCIAL STATEMENTS**  
**AUGUST 31, 2017**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

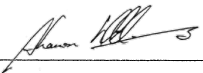
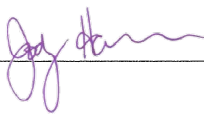
To the Members of  
Saskatchewan Lacrosse Association Inc.

Management has responsibility for preparing the accompanying financial statements and ensuring that all information on any related reports is consistent with the financial statements. This responsibility includes selecting appropriate accounting policies and making objective judgements and estimates in accordance with Canadian accounting standards for not-for-profit organizations.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded, and proper records maintained.

Ultimate responsibility for financial statements to members lies with the Board of Directors.

Marcia Herback Chartered Accountant Professional Corporation, an independent firm, has been appointed by the members to audit the financial statements and report to them; their report follows. The independent auditor has full and free access to the Board and management to discuss their audit findings as to the integrity of the organization's financial reporting and the adequacy of the system of internal controls.

  
\_\_\_\_\_  
President  
\_\_\_\_\_  
Treasurer

November 30, 2017  
Regina, Saskatchewan

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**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
Saskatchewan Lacrosse Association Inc.

I have audited the accompanying financial statements of Saskatchewan Lacrosse Association Inc., which comprise the statement of financial position as at August 31, 2017, and the statements of operation, change in net assets and cash flow statement for the years 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 of 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.

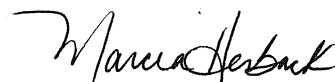
**Basis for Qualified Opinion**

In common with many non-profit organizations, Saskatchewan Lacrosse Association Inc. derives part of its revenue from the general public, 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 organization and I was not able to determine whether any adjustments might be necessary to the revenues, statement of operations, assets and net assets.

**Qualified Opinion**

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 August 31, 2017 and its financial performance and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Regina, Saskatchewan  
November 30, 2017

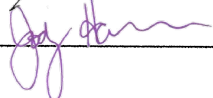
  
Marcia Herback  
CPA, CA

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**SASKATCHEWAN LACROSSE ASSOCIATION INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT AUGUST 31, 2017**  
**(with comparative figures for 2016)**

|  | 2017                     | 2016                     |
|--|--------------------------|--------------------------|
| <b>ASSETS</b>                            |                          |                          |
| <b>Current assets</b>                    |                          |                          |
| Cash and cash equivalents                | \$ 362,337               | \$ 203,111               |
| Accounts receivable                      | 337,228                  | 271,267                  |
| Inventory                                | 14,193                   | -                        |
| Prepaid expenses                         | 20,886                   | 15,993                   |
| Sport Legacy Fund (Note 3)               | <u>34,507</u>            | <u>31,273</u>            |
|  | 769,151                  | 521,644                  |
| <b>Tangible capital assets (Note 4)</b>  | <u>2,498</u>             | <u>-</u>                 |
|  | <u><u>\$ 771,649</u></u> | <u><u>\$ 521,644</u></u> |
| <b>LIABILITIES</b>                       |                          |                          |
| <b>Current liabilities</b>               |                          |                          |
| Accounts payable and accrued liabilities | \$ 313,943               | \$ 146,213               |
| Team refundable deposits                 | 2,400                    | 2,400                    |
| Deferred Sport Legacy Fund (Note 3)      | 34,507                   | 31,273                   |
| Deferred revenue (Note 5)                | <u>45,800</u>            | <u>-</u>                 |
|  | <u>396,650</u>           | <u>179,886</u>           |
| <b>NET ASSETS</b>                        |                          |                          |
| Invested in tangible capital assets      | 2,498                    | -                        |
| Appropriated net assets (Note 6)         | 32,345                   | 28,831                   |
| Unrestricted net assets                  | <u>340,156</u>           | <u>312,927</u>           |
|  | <u>374,999</u>           | <u>341,758</u>           |
|  | <u><u>\$ 771,649</u></u> | <u><u>\$ 521,644</u></u> |

See accompanying notes

Approved on Behalf of the Board

 Director  
 Director

MARCIA HERBACK  
 Chartered Accountant  
 Professional Corporation

**SASKATCHEWAN LACROSSE ASSOCIATION INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED AUGUST 31, 2017**  
(with comparative figures for 2016)

|  | 2017             | 2016             |
|--|------------------|------------------|
| <b>Revenue</b>   |                  |                  |
| Saskatchewan Lotteries Trust Fund (Schedule 1)           | \$ 231,214       | \$ 190,600       |
| Canadian Lacrosse Association                            | 3,415            | 22,100           |
| Self help (Schedule 2)                                   | <u>874,811</u>   | <u>488,850</u>   |
|  | <u>1,109,440</u> | <u>701,550</u>   |
| <b>Expenditure</b>                                       |                  |                  |
| Administration (Schedule 3)                              | 121,804          | 73,148           |
| Capacity/Interaction (Schedule 4)                        | 211,588          | 113,284          |
| Participation (Schedule 5)                               | 135,695          | 98,403           |
| Excellence (Schedule 6)                                  | 253,507          | 205,549          |
| Membership Assistance Program (Schedule 7)               | 42,401           | 44,100           |
| Categorical Grants (Schedule 8)                          | <u>311,204</u>   | <u>126,341</u>   |
|  | <u>1,076,199</u> | <u>660,825</u>   |
| <b>Excess (deficiency) of revenues over expenditures</b> | <u>\$ 33,241</u> | <u>\$ 40,725</u> |

See accompanying notes

**SASKATCHEWAN LACROSSE ASSOCIATION INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED AUGUST 31, 2017**  
**(with comparative figures for 2016)**

|   |                   | Invested in<br>Tangible | Internally<br>Restricted | <u>2017</u>       | <u>2016</u>       |
|---|-------------------|-------------------------|--------------------------|-------------------|-------------------|
|   | Unrestricted      | Capital Assets          | Assets                   |                   |                   |
| <b>Net Assets</b>                       |                   |                         |                          |                   |                   |
| Balance, beginning of year              | \$ 312,927        | -                       | 28,831                   | \$ 341,758        | \$ 301,033        |
| Excess of revenues over<br>expenditures | 33,241            | -                       | -                        | 33,241            | 40,725            |
| Additions to capital assets             | (3,747)           | 3,747                   | -                        | -                 | -                 |
| Amortization                            | 1,249             | (1,249)                 | -                        | -                 | -                 |
| Interfund transfers (Note 6)            | <u>(3,514)</u>    | <u>-</u>                | <u>3,514</u>             | <u>-</u>          | <u>-</u>          |
| Balance, end of year                    | <u>\$ 340,156</u> | <u>2,498</u>            | <u>32,345</u>            | <u>\$ 374,999</u> | <u>\$ 341,758</u> |

See accompanying notes

**SASKATCHEWAN LACROSSE ASSOCIATION INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED AUGUST 31, 2017**  
**(with comparative figures for 2016)**

|   | <b>2017</b>       | <b>2016</b>       |
|---|-------------------|-------------------|
| <b>Operating activities</b>                               |                   |                   |
| Excess of revenues over expenditures                      | \$ 33,241         | \$ 40,725         |
| Items not involving an outlay (receipt) of cash           |                   |                   |
| Amortization  | <u>1,249</u>      | <u>-</u>          |
|   | 34,490            | 40,725            |
| Net change in non-cash operating working capital balances |                   |                   |
| Accounts receivable                                       | (65,961)          | (57,566)          |
| Sport Legacy Fund   | (3,234)           | (3,209)           |
| Prepaid expenses  | (4,893)           | (9,098)           |
| Inventory   | (14,193)          |                   |
| Accounts payable and accrued liabilities                  | 167,730           | 58,716            |
| Deferred Sport Legacy Fund                                | 3,234             | 3,209             |
| Deferred revenue  | <u>45,800</u>     | <u>(117,250)</u>  |
| Cash provided by (used in) operating activities           | <u>162,973</u>    | <u>(84,473)</u>   |
| <b>Investing activities</b>                               |                   |                   |
| Additions to tangible capital assets                      | <u>(3,747)</u>    | <u>-</u>          |
| Cash provided by (used in) investing activities           | <u>(3,747)</u>    | <u>-</u>          |
| <b>Increase (decrease) in cash</b>                        | 159,226           | (84,473)          |
| <b>Cash position, beginning of year</b>                   | <u>203,111</u>    | <u>287,584</u>    |
| <b>Cash position, end of year</b>                         | <u>\$ 362,337</u> | <u>\$ 203,111</u> |

See accompanying notes

**SASKATCHEWAN LACROSSE ASSOCIATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2017**

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**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**  
**AUGUST 31, 2017**

**4. Tangible capital assets**

|                   | <u>Cost</u>      | <u>Accumulated<br/>Amortization</u> | <u>2017<br/>Net Book<br/>Value</u> | <u>2016<br/>Net Book<br/>Value</u> |
|-------------------|------------------|-------------------------------------|------------------------------------|------------------------------------|
| Computer hardware | \$ 16,344        | 13,846                              | \$ 2,498                           | \$ -                               |
| Computer software | 729              | 729                                 | -                                  | -                                  |
| Equipment         | 8,484            | 8,484                               | -                                  | -                                  |
|                   | <u>\$ 25,557</u> | <u>23,059</u>                       | <u>\$ 2,498</u>                    | <u>\$ -</u>                        |

**5. Deferred revenue**

During 2017, Saskatchewan Lacrosse Association Inc. received \$45,800 (2016-\$Nil) from the Saskatchewan Lotteries Trust Fund 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 \$2,392 (2016 - \$1,744) was contributed to the Box Lacrosse Contingency Fund and \$1,122 (2016 - \$962) was contributed to the Field Lacrosse Contingency Fund. The Field Lacrosse Contingency Fund had expenses of \$Nil (2016-\$Nil) and had an ending balance of \$6,862 (2016-\$5,740). Box Lacrosse Contingency Fund had no expenses in the current year (2016 - \$Nil) and had an ending balance of \$25,483 (2016 - \$23,091).

**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 August 31, 2017:

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.

**SASKATCHEWAN LACROSSE ASSOCIATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2017**

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**8. Financial instruments cont'd**

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. Comparative figures**

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

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**SASKATCHEWAN LACROSSE ASSOCIATION INC.**  
**SCHEDULES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2017**  
(with comparative figures for 2016)

|  | 2017              | 2016              |
|--|-------------------|-------------------|
| <b>Saskatchewan Lotteries Trust Fund, Sport Division</b> |                   | <b>Schedule 1</b> |
| Annual funding   | \$ 150,700        | \$ 139,000        |
| Membership assistance program                            | 42,400            | 44,100            |
| NAIG Aboriginal Excellence                               | 23,114            | -                 |
| Hosting grant  | 15,000            | 7,500             |
|  | <u>\$ 231,214</u> | <u>\$ 190,600</u> |
| <b>Self help</b>   |                   | <b>Schedule 2</b> |
| Internal   |                   |                   |
| Competition and clinic fees                              | \$ 16,864         | \$ 13,581         |
| Membership fees  | 129,999           | 103,135           |
| Membership assessment                                    | 3,514             | 2,706             |
| Team/Athlete fees  | 94,891            | 62,112            |
| External   |                   |                   |
| Fundraising  | 615,587           | 297,849           |
| Interest   | 904               | 847               |
| Sales  | 8,652             | 4,420             |
| Other government grants                                  | 4,400             | 4,200             |
|  | <u>\$ 874,811</u> | <u>\$ 488,850</u> |

**SASKATCHEWAN LACROSSE ASSOCIATION INC.**  
**SCHEDULES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2017**  
**(with comparative figures for August 31, 2016)**

|                                       | <b>2017</b>       | <b>2016</b>       |
|---------------------------------------|-------------------|-------------------|
| <b>Administration</b>                 |                   | <b>Schedule 3</b> |
| Amortization                          | \$ 1,249          | \$ -              |
| Audit and accounting                  | 9,065             | 6,288             |
| Bad debt                              | 7,930             | 7,641             |
| History book                          | 7,499             | 938               |
| Insurance                             | 7,922             | 9,490             |
| Legal fees                            | 12,221            | -                 |
| Office operations                     | 36,120            | 20,941            |
| Staff salaries and benefits           | 28,407            | 25,932            |
| Staff travel                          | 11,391            | 1,918             |
|                                       | <u>\$ 121,804</u> | <u>\$ 73,148</u>  |
| <b>Capacity/Interaction</b>           |                   | <b>Schedule 4</b> |
| Clothing                              | \$ 12,473         | \$ 2,269          |
| Communication/Marketing Coordinator   | 13,303            | 4,907             |
| Fundraising Coordinator               | 24,207            | 10,892            |
| Hosting                               | 30,068            | 22,993            |
| Marketing and promotions              | 35,596            | 13,182            |
| Annual General Meeting                | 34,566            | 14,100            |
| Board and committee meetings          | 11,894            | 12,737            |
| National meetings                     | 14,659            | 11,506            |
| Membership                            | 111               | 31                |
| Staff and volunteer recognition       | 15,724            | 5,860             |
| Website online registration           | 18,987            | 14,807            |
|                                       | <u>\$ 211,588</u> | <u>\$ 113,284</u> |
| <b>Participation</b>                  |                   | <b>Schedule 5</b> |
| Athlete development                   |                   |                   |
| Competition                           | \$ 53,185         | \$ 44,629         |
| Introductory programs                 | 6,731             | 1,677             |
| Technical salaries and benefits       | 33,653            | 25,796            |
| Coaching development                  | 10,230            | 6,171             |
| Officials development                 | 8,961             | 4,989             |
| Technical materials                   | 14,689            | 6,267             |
| Target group - Aboriginal development | 8,246             | 8,874             |
|                                       | <u>\$ 135,695</u> | <u>\$ 98,403</u>  |
| <b>Excellence</b>                     |                   | <b>Schedule 6</b> |
| Athlete development                   |                   |                   |
| Athlete assistance                    | \$ 40,000         | \$ 12,500         |
| Competition                           | 141,019           | 158,172           |
| Technical salaries and benefits       | 21,998            | 10,740            |
| Training                              | 16,997            | 2,566             |
| Coaching and coach development        |                   |                   |
| Coaching development                  | 950               | -                 |
| Excellence programming                | 19,576            | 16,732            |
| Officials development                 | 12,967            | 4,839             |
|                                       | <u>\$ 253,507</u> | <u>\$ 205,549</u> |

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**SASKATCHEWAN LACROSSE ASSOCIATION INC.**  
**SCHEDULES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2017**  
**(with comparative figures for 2016)**

|  | 2017              | 2016              |
|--|-------------------|-------------------|
| <b>Membership Assistance Program</b>         |                   | <b>Schedule 7</b> |
| East Central Lacrosse Association            | \$ 1,549          | \$ 1,577          |
| Estevan Lacrosse Association                 | 2,459             | 2,823             |
| Melfort Lacrosse Association                 | 1,591             | 1,294             |
| Moose Jaw Lacrosse Association               | 3,390             | 3,605             |
| Prince Albert Lacrosse                       | 5,164             | 5,269             |
| Queen City Minor Box Lacrosse                | 7,664             | 10,750            |
| Regina Men's Field Lacrosse Association      | -                 | 531               |
| Saskatoon Box Lacrosse Association           | 9,924             | 9,013             |
| Saskatoon Field Lacrosse Association         | 5,513             | 4,267             |
| Swift Current Lacrosse Association           | 3,298             | 3,913             |
| Yorkton Lacrosse Association                 | 1,849             | 1,058             |
|  | <u>\$ 42,401</u>  | <u>\$ 44,100</u>  |
| <b>Categorical grants</b>                    |                   | <b>Schedule 8</b> |
| Aboriginal Excellence Grant                  | \$ 23,114         | \$ -              |
| Long term athlete development grant expenses | 7,784             | 7,500             |
| National dues/affiliations                   | 8,888             | 8,374             |
| Other  | 130               | -                 |
| Other fundraising expenses                   | 22,878            | -                 |
| Prior year adjustments                       | 3,812             | -                 |
| Saskatchewan Rush 50/50 expenses             | 203,386           | 110,467           |
| Saskatchewan Rush 50/50 other expenses       | 41,212            | -                 |
|  | <u>\$ 311,204</u> | <u>\$ 126,341</u> |