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Financial statements of  
**British Columbia Lacrosse Association**

August 31, 2019

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## Independent Auditor's Report

To the Directors of  
British Columbia Lacrosse Association

### Opinion

We have audited the financial statements of British Columbia Lacrosse Association (the "Association"), which comprise the statement of financial position as at August 31, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at August 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 the 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 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 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 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 GAAS 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 GAAS, 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.

### **Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies in ASNPO have been applied on a consistent basis.

*Deloitte LLP*

Chartered Professional Accountants  
September 26, 2019  
Vancouver, British Columbia

**British Columbia Lacrosse Association**  
**Statement of financial position**  
As at August 31, 2019

	Notes	2019 \$	2018 \$
<b>Assets</b>			
Current assets			
Cash and cash equivalents			
Operating Fund		<b>273,628</b>	248,659
Goss Scholarship Fund		<b>8,808</b>	9,862
Fridge Scholarship Fund		<b>7,878</b>	8,906
Robertson Bursary Fund		<b>18,514</b>	19,068
Gaming Account		<b>12,474</b>	7,708
Accounts receivable, net	4	<b>162,378</b>	117,879
Inventories		<b>93,155</b>	92,457
Prepaid expenses and deposits	5	<b>61,402</b>	100,227
		<b>638,237</b>	604,766
Tangible capital assets	2 (h)	<b>13,900</b>	—
		<b>652,137</b>	604,766
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities		<b>27,260</b>	6,825
Refundable host bonds		<b>500</b>	500
Current portion of deferred grant contributions	6	<b>25,000</b>	27,500
		<b>52,760</b>	34,825
Deferred grant contributions	6	<b>13,900</b>	—
		<b>66,660</b>	34,825
Commitments	8		
<b>Net assets</b>			
Externally restricted funds			
Goss Scholarship Fund		<b>8,808</b>	9,862
Fridge Scholarship Fund		<b>7,878</b>	8,906
Robertson Bursary Fund		<b>18,514</b>	19,068
Unrestricted Fund		<b>550,277</b>	532,105
		<b>585,477</b>	569,941
		<b>652,137</b>	604,766

The accompanying notes are an integral part of the financial statements.

Approved by the Board

 \_\_\_\_\_, Director

 \_\_\_\_\_, Director

## British Columbia Lacrosse Association

### Statement of operations

Year ended August 31, 2019

	Notes	2019 \$	2018 \$
<b>Contributions</b>	9		
Team BC Program		<b>773,951</b>	771,778
Minor registration		<b>409,625</b>	420,552
Community Gaming Grant	3	<b>200,000</b>	196,000
Provincial government grants		<b>164,286</b>	165,125
Field registration		<b>155,543</b>	153,467
Clinics		<b>155,471</b>	152,562
Senior registration		<b>141,444</b>	149,930
Championships		<b>78,368</b>	83,042
Fundraising and donations		<b>61,149</b>	71,060
AGM revenue		<b>55,531</b>	47,140
Indigenous Lacrosse Program		<b>37,000</b>	37,000
Lacrosse on the Move (Vancouver Warriors Donation)		<b>33,250</b>	—
BC Sport Participation Grant (Wheelchair Lacrosse Program)		<b>16,100</b>	—
Coaches registration		<b>28,815</b>	28,287
Other grants		<b>28,476</b>	21,955
Officials registration		<b>25,940</b>	24,265
CLA development grants		<b>20,000</b>	—
Lacrosse Talk Newspaper		<b>13,610</b>	8,330
Wheelchair Lacrosse Donations		<b>12,278</b>	—
Miscellaneous and interest income		<b>2,300</b>	3,000
		<b>2,413,137</b>	2,333,493
<b>Expenses</b>	9		
Programs (Schedule A)	3	<b>1,366,905</b>	1,358,969
Administration / Program support (Schedule B)		<b>543,453</b>	547,496
Services (Schedule A)		<b>249,553</b>	204,341
Meetings and related expenses (Schedule B)		<b>235,054</b>	232,316
		<b>2,394,965</b>	2,343,122
<b>Excess (deficiency) of receipts over disbursements</b>		<b>18,172</b>	(9,629)

The accompanying notes are an integral part of the financial statements.

**British Columbia Lacrosse Association****Statement of changes in net assets**

Year ended August 31, 2019

	Unrestricted Fund \$	Goss Scholarship Fund \$	Fridge Scholarship Fund \$	Robertson Bursary Fund \$	Total \$
<b>Balance, August 31, 2017</b>	541,734	7,675	7,210	17,380	573,999
Excess (deficiency) of receipts over expenditures	(9,629)	—	—	—	(9,629)
Fundraising and donation income	—	2,227	2,227	2,227	6,681
Interest income	—	—	3	—	3
	532,105	9,902	9,440	19,607	571,054
Scholarships provided	—	—	(500)	(500)	(1,000)
Bank charges	—	(40)	(34)	(39)	(113)
Balances, August 31, 2018	532,105	9,862	8,906	19,068	569,941
Excess (deficiency) of receipts over expenditures	18,172	—	—	—	18,172
Interest income	—	—	8	—	8
	550,277	9,862	8,914	19,068	588,121
Scholarships provided	—	(1,000)	(1,000)	(500)	(2,500)
Bank charges	—	(54)	(36)	(54)	(144)
<b>Balances, August 31, 2019</b>	<b>550,277</b>	<b>8,808</b>	<b>7,878</b>	<b>18,514</b>	<b>585,477</b>

The accompanying notes are an integral part of the financial statements.

**British Columbia Lacrosse Association****Statement of cash flows**

Year ended August 31, 2019

	<b>2019</b>	2018
	<b>\$</b>	\$
<b>Operating activities</b>		
Excess (deficiency) of receipts over disbursements	<b>18,172</b>	(9,629)
Items not involving cash		
Amortization of tangible capital assets	<b>1,545</b>	—
Amortization of deferred grant contributions	<b>(1,545)</b>	—
	<b>18,172</b>	(9,629)
Changes in non-cash working capital		
Accounts receivable, net	<b>(44,499)</b>	29,977
Inventories	<b>(698)</b>	11,441
Prepaid expenses and deposits	<b>38,825</b>	(11,286)
Accounts payable and accrued liabilities	<b>20,435</b>	(17,907)
Deferred contributions	<b>(2,500)</b>	27,500
Issuance of scholarships and bursaries	<b>(2,644)</b>	(1,113)
Contributions and interest income from scholarship and bursary funds	<b>8</b>	6,684
	<b>27,099</b>	35,667
<b>Investing activity</b>		
Purchase of tangible capital assets	<b>(15,445)</b>	—
<b>Financing activity</b>		
Deferred capital funding received	<b>15,445</b>	—
Increase in cash and cash equivalents	<b>27,099</b>	35,667
Cash and cash equivalents, beginning of year	<b>294,203</b>	258,536
<b>Cash and cash equivalents, end of year</b>	<b>321,302</b>	294,203
<b>Cash and cash equivalents consists of</b>		
Cash deposits	<b>305,194</b>	278,095
Guaranteed Income Certificates	<b>16,108</b>	16,108
	<b>321,302</b>	294,203

The accompanying notes are an integral part of the financial statements.



## **British Columbia Lacrosse Association**

### **Notes to the financial statements**

August 31, 2019

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#### **1. Purpose and legal form of the Association**

British Columbia Lacrosse Association (the "Association") is a non-profit organization incorporated in the Province of British Columbia. Its principal purpose is to build, develop and administer the sport of lacrosse in British Columbia.

The Association is not a registered charity and is not subject to income taxes under the *Income Tax Act*.

#### **2. Significant accounting policies**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountant Handbook and include the following significant accounting policies:

*(a) Fund accounting*

Receipts and expenditures related to program delivery and administrative activities are reported in the Operating Fund.

Receipts and expenditures related to restricted scholarship and bursary funds are reported in separate restricted funds. The Wayne Goss and Ted Fridge Scholarship Funds are funds established by the Association to provide lacrosse players with annual scholarships towards post-secondary education.

The Dorothy Robertson Memorial Bursary Fund is a fund established by the family of Dorothy Robertson to provide lacrosse players with annual bursaries.

*(b) Inventories*

The Association's inventories consist of educational materials for officials and coaches, as well as jerseys and branded merchandise for resale. Inventories are measured at the lower of cost and replacement cost.

*(c) Revenue recognition*

The Association follows the deferral method of accounting for contributions. Restricted contributions in the operating fund are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions made to the Scholarship and Bursary Funds are recognized in the year they are received. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Player, coach and official registration and other program fees are considered unrestricted, and therefore recorded in the period they are received. Certain sources of grant income are restricted for use towards specific programs, and are therefore recorded as deferred contributions until the period that the associated program expenses are incurred.

*(d) Use of estimates*

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

**2. Significant accounting policies (continued)**

*(e) Contributed goods and services*

Sponsors and advertisers periodically donate goods in-kind to the Association (in lieu of cash). These goods are recognized as a contribution and expense in the period. Due to the difficulty in determining fair value, contributed services are not recognized in the financial statements.

*(f) Cash and cash equivalents*

The Association's policy is to present bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

*(g) Tangible Capital Assets*

Purchased tangible capital assets are recorded at cost less amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments, which extended the estimated useful life of an asset, are capitalized. When a tangible capital asset no longer contributes to the Association's ability to provide services, its carrying amount is written down to its residual value.

Tangible capital assets are amortized on a straight line basis over the following period:

Equipment	5 years
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At August 31, 2019, tangible capital assets included equipment at cost of \$15,445 (nil in 2018), net of accumulated amortization of \$1,544 (nil in 2018).

*(h) Financial instruments*

The Association 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 included cash and equivalents, accounts receivable, and grants receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Association recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the statement of operations in the period the reversal occurs.

**3. Community Gaming Grant**

For the year ended August 31, 2019, the Association received \$200,000 (\$196,000 in 2018) from BC Gaming through the Community Gaming Grant. At August 31, 2019, there was nil cash on hand relating to funds received through the grant (nil in 2018).

**4. Accounts receivable, net**

	<b>2019</b>	2018
	\$	\$
Dues and registration fees receivable	<b>160,780</b>	116,281
Grant contributions receivable	<b>15,417</b>	15,417
Allowance for doubtful accounts	<b>(13,819)</b>	(13,819)
	<b>162,378</b>	117,879

**5. Prepaid expenses and deposits**

	<b>2019</b>	2018
	\$	\$
Prepaid expenses	<b>54,408</b>	93,233
Lease deposit and other	<b>6,994</b>	6,994
	<b>61,402</b>	100,227

The Association's prepaid expenses consist of expenditures for the Annual General Meeting held in October following the end of the fiscal year, prepaid minor box and youth field provincial expenditures, insurance policies, and other prepaid administrative costs.

**6. Deferred grant contributions**

	<b>2019</b>	2018
	\$	\$
Tangible capital assets		
Opening balance	—	—
Restricted capital contributions received	<b>15,445</b>	—
Recognized as revenue	<b>(1,545)</b>	—
Ending balance	<b>13,900</b>	—
Operating		
Opening balance	<b>27,500</b>	—
Restricted operating contributions received	<b>25,000</b>	27,500
Recognized as revenue	<b>(27,500)</b>	—
Ending balance	<b>25,000</b>	27,500
Total deferred contributions	<b>38,900</b>	27,500

The tangible capital assets deferred grant contributions represent restricted donations for the purchase of such assets. The amounts are recognized as revenue on the same basis as amortization expense on the related asset. The operating deferred grant contributions are externally restricted.

## British Columbia Lacrosse Association

### Notes to the financial statements

August 31, 2019

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#### 7. Financial instruments

(a) *Credit risk*

Credit risk arises from cash and cash equivalents, and accounts receivable. Cash and cash equivalents are deposited with reputable chartered banks to limit the credit risk exposure. The Association is exposed to financial risks that arise from the credit quality of its contributors. Credit risk arising from accounts receivable is mitigated as the Association receives a significant amount of its funding from governmental entities and its members. The maximum exposure to credit risk is \$483,580 as at August 31, 2019 (\$412,082 in 2018). Management believes that the Association does not have a significant exposure to credit risk.

(b) *Liquidity risk*

Liquidity risk exposure is dependent on the timing and amount of the receipt of funds from grants and other sources to enable the Association to pay its liabilities as they become due. Liquidity risk is managed by maintaining the majority of the Association's assets in liquid form, such as cash and cash equivalents.

(c) *Interest rate risk*

The Association is exposed to interest rate risk with respect to cash and cash equivalents. Changes in interest rates can affect the fair value of investments and the cash flows related to interest income.

(d) *Fair value*

The Association's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities, the fair value of which approximate their carrying value.

#### 8. Commitments

The Association renewed the lease for its business premises and storage space for a seven year term beginning March 1, 2018. The minimum annual lease payments for the remaining term of the lease is as follows:

	<u>\$</u>
2020	31,462
2021	31,702
2022	31,702
2023	34,104
2024 and thereafter	<u>69,168</u>
	<u>198,138</u>

#### 9. Contributed goods

For the year ended August 31, 2019, sponsors and advertisers contributed goods with a cost of \$59,848 (\$62,151 in 2018). The contributed goods were recorded as contributions and expenses in various accounts on the statement of operations.

## **British Columbia Lacrosse Association**

### **Notes to the financial statements**

August 31, 2019

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#### **10. Remuneration paid to employees, contractors and directors**

For the fiscal year ended August 31, 2019, the Association provided remuneration of \$3,550, \$800 and \$1,600 respectively to three directors for coaching services rendered. During the current year, the Association paid total remuneration of in aggregate \$176,925 (\$190,655 in 2018) to two of its senior employees.

#### **11. Endowment funds held by Vancouver Foundation**

The Association has established two Endowment Funds with the Vancouver Foundation that are not reported on these financial statements. The capital of these funds are permanently invested with and administered by the Vancouver Foundation. The Association is eligible to receive the income earned by the endowment funds as paid by the Vancouver Foundation from time to time, but has not earned any income in the current or comparative period.

As at June 30, 2019, the British Columbia Lacrosse Association Jack Crosby Endowment Fund had an invested capital balance of \$29,229 (\$27,955 in June 30, 2018) and a market value of \$34,520 (\$32,968 in June 30, 2018). The Bill McBain Endowment Fund has an invested capital balance of \$14,217 (\$13,481 in June 30, 2018) and a market value of \$19,915 (\$19,019 in June 30, 2018). During the year-ended June 30, 2019, income from the British Columbia Lacrosse Association Jack Crosby Endowment Fund and the Bill McBain Endowment Fund was recorded of \$329 and \$190 in the statement of operations respectively.

**British Columbia Lacrosse Association****Schedule A – Schedule of disbursements for programs and services**

Year ended August 31, 2019

	<b>2019</b>	2018
	<b>\$</b>	<b>\$</b>
<b>Programs</b>		
Team BC Program	<b>767,204</b>	818,319
Championships	<b>279,453</b>	292,660
Clinics	<b>219,595</b>	197,521
Athlete development	<b>61,978</b>	21,177
Indigenous Lacrosse Program	<b>36,530</b>	28,596
Amortization of tangible capital assets	<b>1,545</b>	—
Camps and skills jamborees	<b>600</b>	600
PacificSport / Development coach program	<b>—</b>	96
	<b>1,366,905</b>	<b>1,358,969</b>
<b>Services</b>		
Insurance	<b>102,563</b>	58,319
Resource materials	<b>74,886</b>	84,463
Lacrosse Talk Newspaper	<b>29,229</b>	30,017
Advertising and public relations	<b>25,975</b>	13,892
Lacrosse on the Move travel grants	<b>16,900</b>	17,650
	<b>249,553</b>	<b>204,341</b>

The accompanying notes are an integral part of the financial statements.

**British Columbia Lacrosse Association**  
**Schedule B – Schedule of disbursements for administration /**  
**program support, and meetings and related expenses**  
Year ended August 31, 2019

	Notes	<b>2019</b>	2018
		<b>\$</b>	<b>\$</b>
<b>Administration / Program support</b>			
Salaries and benefits	10	<b>367,350</b>	365,945
Telephone, printing, postage and supplies		<b>68,537</b>	72,491
Rent		<b>54,862</b>	50,370
On-line registration / administration		<b>40,154</b>	44,653
Professional fees		<b>10,873</b>	10,200
Memberships and related expenses		<b>1,677</b>	3,837
		<b>543,453</b>	547,496
<b>Meetings and related expenses</b>			
Annual meetings - BCLA, coaches and officials		<b>168,873</b>	166,672
Minor Directorate		<b>25,753</b>	22,173
CLA memberships		<b>19,684</b>	24,012
Executive		<b>9,548</b>	13,881
Senior Directorate		<b>1,858</b>	3,149
Field Directorate		<b>1,702</b>	2,178
Leadership meetings / seminars		<b>7,636</b>	251
		<b>235,054</b>	232,316

The accompanying notes are an integral part of the financial statements.