

ONTARIO LACROSSE HALL OF FAME & MUSEUM

Financial Statements

Year Ended December 31, 2014

ONTARIO LACROSSE HALL OF FAME & MUSEUM

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Year Ended December 31, 2014**

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INDEPENDENT AUDITOR'S REPORT

To the Members of Ontario Lacrosse Hall of Fame & Museum

We have audited the accompanying financial statements of Ontario Lacrosse Hall of Fame & Museum, which comprise the statement of financial position as at December 31, 2014 and the statements of revenue and expenditures and changes in net assets and cash flows for the year 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Ontario Lacrosse Hall of Fame & Museum derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Ontario Lacrosse Hall of Fame & Museum. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenue over expenditures and cash flows from operations for the year ended December 31, 2014, current assets and net assets as at December 31, 2014.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Ontario Lacrosse Hall of Fame & Museum as at December 31, 2014 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.

Brampton, Ontario
April 2, 2015



McCARNEY GREENWOOD LLP
Chartered Professional Accountants
Licensed Public Accountants

ONTARIO LACROSSE HALL OF FAME & MUSEUM

Statement of Financial Position

As at December 31, 2014

	Operating Fund	Bingo Fund	Trust Foundation	2014	2013
ASSETS					
Current					
Cash	\$ 13,578	\$ 4,305	\$ 12,748	\$ 30,631	\$ 126,580
Short-term investments (Note 3)	34,341	-	31,067	65,408	-
Interest receivable	246	-	1,002	1,248	-
Harmonized sales tax receivable	836	-	-	836	1,032
	49,001	4,305	44,817	98,123	127,612
TANGIBLE CAPITAL ASSETS (Note 4)	3,146	-	-	3,146	4,384
LONG-TERM INVESTMENT (Note 3)	-	-	45,000	45,000	-
	\$ 52,147	\$ 4,305	\$ 89,817	\$ 146,269	\$ 131,996
LIABILITIES					
Current					
Accounts payable and accrued liabilities	\$ 2,400	\$ -	\$ -	\$ 2,400	\$ 2,200
NET ASSETS					
Unrestricted net assets	49,747	4,305	-	54,052	50,455
Internally restricted net assets	-	-	89,817	89,817	79,341
	49,747	4,305	89,817	143,869	129,796
	\$ 52,147	\$ 4,305	\$ 89,817	\$ 146,269	\$ 131,996

ON BEHALF OF THE BOARD

Chuck Miller Director
Dan Clouston Director

See notes to financial statements

ONTARIO LACROSSE HALL OF FAME & MUSEUM
Statement of Revenue and Expenditures and Changes in Net Assets
Year Ended December 31, 2014

	Operating Fund	Bingo Fund	Trust Foundation	2014	2013
REVENUE					
Fundraising	\$ 18,716	\$ -	\$ -	\$ 18,716	\$ 15,612
Donations	150	-	9,567	9,717	8,775
Investment income	246	-	1,002	1,248	-
Other income	1,103	-	-	1,103	-
	20,215	-	10,569	30,784	24,387
EXPENDITURES					
Amortization of tangible capital assets	1,238	-	-	1,238	831
Fundraising costs	9,033	-	-	9,033	5,590
Interest and bank charges	62	167	93	322	247
Museum display costs <i>(Note 5)</i>	2,869	-	-	2,869	1,290
Office and administration	1,099	-	-	1,099	2,403
Professional services	2,150	-	-	2,150	2,450
	16,451	167	93	16,711	12,811
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	3,764	(167)	10,476	14,073	11,576
NET ASSETS - BEGINNING OF YEAR	45,983	4,472	79,341	129,796	118,220
NET ASSETS - END OF YEAR	\$ 49,747	\$ 4,305	\$ 89,817	\$ 143,869	\$ 129,796

See notes to financial statements

ONTARIO LACROSSE HALL OF FAME & MUSEUM

Cash Flow Statement

Year Ended December 31, 2014

	Operating Fund	Bingo Fund	Trust Foundation	2014	2013
OPERATING ACTIVITIES					
Excess (deficiency) of revenue over expenditures	\$ 3,764	\$ (167)	\$ 10,476	\$ 14,073	\$ 11,576
Items not affecting cash:					
Amortization of tangible capital assets	1,238	-	-	1,238	831
	5,002	(167)	10,476	15,311	12,407
Changes in non-cash working capital:					
Interest receivable	(246)	-	(1,002)	(1,248)	-
Harmonized sales tax receivable	196	-	-	196	209
Accounts payable and accrued liabilities	200	-	-	200	701
	150	-	(1,002)	(852)	910
Net cash provided by operating activities	5,152	(167)	9,474	14,459	13,317
INVESTING ACTIVITIES					
Purchase of tangible capital assets	-	-	-	-	(4,252)
Purchase of short-term investments	(34,341)	-	(31,067)	(65,408)	-
Purchase of long-term investments	-	-	(45,000)	(45,000)	-
Net cash used in investing activities	(34,341)	-	(76,067)	(110,408)	(4,252)
NET INCREASE (DECREASE) IN CASH FLOW	(29,189)	(167)	(66,593)	(95,949)	9,065
CASH - BEGINNING OF YEAR	42,767	4,472	79,341	126,580	117,515
CASH - END OF YEAR	\$ 13,578	\$ 4,305	\$ 12,748	\$ 30,631	\$ 126,580

See notes to financial statements

ONTARIO LACROSSE HALL OF FAME & MUSEUM

Notes to Financial Statements

December 31, 2014

1. NATURE OF OPERATIONS

The Ontario Lacrosse Hall of Fame & Museum (the "organization") is a not-for-profit organization incorporated without share capital. As such, it is exempt from corporate income taxes under Section 149(1)(l) of the Income Tax Act.

The purpose and objectives of the organization are as follows:

1. To preserve our historical and cultural heritage by providing and operating a public museum and by offering education programmes, seminars and forums designed to increase the public's appreciation and awareness of Canada's official summer game, and its historical/cultural contribution to Canada.
2. To purchase, maintain and preserve historical and cultural artifacts related to Canada's official summer game, and to keep such artifacts available for viewing by the public.

2. SUMMARY OF ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Fund accounting

Revenues and expenditures related to general fundraising and administrative activities are reported in the Operating Fund. The Operating Fund and the Bingo Fund are unrestricted funds.

The organization occasionally approves inter-fund transfers between the unrestricted funds to meet their operational needs.

The Trust Foundation, described below, is a restricted fund.

Trust Foundation

The Trust Foundation was established by the organization to receive gift donations as "bequeathments" or "in honour" of players and builders of lacrosse. An application must be made to access the funds maintained in the Trust Foundation. Upon approval, support is provided in one of three areas:

1. Upgrading the museum in line with provincial museum standards;
2. Research on lacrosse to support the organization's research priorities; and/or
3. Humanitarian support for lacrosse in the province of Ontario.

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ONTARIO LACROSSE HALL OF FAME & MUSEUM

Notes to Financial Statements

December 31, 2014

2. SUMMARY OF ACCOUNTING POLICIES *(continued)*

Revenue recognition

The organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the appropriate fund as follows:

- Donations received by the organization are recorded in the Operating Fund on a cash basis in the year of receipt. Revenues from fundraising events are recognized in the Operating Fund when the events have been held.
- Proceeds from charity bingo events are recognized in the Bingo Fund when the events have been held.

Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the organization's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- the accrual of liabilities; and
- the estimated useful lives of tangible capital assets.

Contributed materials

The organization records these contributions at fair value, where such value can be reasonably determined. Donated services have not been reflected in these statements since no objective basis is available to measure their value.

Tangible capital assets

Purchased tangible capital assets are recorded at cost. Tangible capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Display cases	20%
Touch screen kiosks	30%

Impairment of long-lived assets

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future undiscounted net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

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ONTARIO LACROSSE HALL OF FAME & MUSEUM

Notes to Financial Statements

December 31, 2014

2. SUMMARY OF ACCOUNTING POLICIES *(continued)*

Financial instruments policy

Measurement

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, interest receivable, and short and long-term investments.

Financial liabilities measured at amortized cost includes accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net assets.

3. SHORT AND LONG-TERM INVESTMENTS

	Operating Fund	Trust Foundation	2014	2013
<u>Short-term investments</u>				
The Bank of Nova Scotia, Cashable GIC, 0.95% p.a., maturing April 1, 2015, maturity value \$34,667	\$ 34,341	\$ -	\$ 34,341	\$ -
The Bank of Nova Scotia, Cashable GIC, 0.95% p.a., maturing April 1, 2015, maturity value \$31,362	-	31,067	31,067	-
	\$ 34,341	\$ 31,067	\$ 65,408	\$ -
<u>Long-term investment</u>				
The Bank of Nova Scotia, Special rate GIC, 2.0% p.a., maturing August 19, 2016, maturity value \$47,285	\$ -	\$ 45,000	\$ 45,000	\$ -

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Display cases	\$ 9,250	\$ 8,634	\$ 616	\$ 770
Touch screen kiosks	4,252	1,722	2,530	3,614
	\$ 13,502	\$ 10,356	\$ 3,146	\$ 4,384

ONTARIO LACROSSE HALL OF FAME & MUSEUM

Notes to Financial Statements

December 31, 2014

5. MUSEUM DISPLAY COSTS

The organization purchases various memorabilia to include in their collection of historical and cultural artifacts held for public exhibition. These amounts and the the costs to maintain the displays are expensed as museum display costs.

6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. In the opinion of the Board of Directors the organization is not exposed to significant interest rate, currency or credit risk from its financial instruments.

7. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.