

ONTARIO LACROSSE HALL OF FAME & MUSEUM

Financial Statements

Year Ended December 31, 2016

ONTARIO LACROSSE HALL OF FAME & MUSEUM

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Year Ended December 31, 2016**

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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, 2016, and the statements of revenues and expenditures, 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 revenues over expenditures and cash flows from operations for the year ended December 31, 2016, current assets and net assets as at December 31, 2016.

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Independent Auditor's Report to the Members of Ontario Lacrosse Hall of Fame & Museum *(continued)*

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, 2016 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.

Mississauga, Ontario
April 14, 2017

A handwritten signature in black ink that reads "McCarney Group LLP". The signature is written in a cursive, flowing style.

McCARNEY GROUP LLP
Chartered Professional Accountants
Licensed Public Accountants

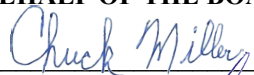
ONTARIO LACROSSE HALL OF FAME & MUSEUM


Statement of Financial Position

As at December 31, 2016

	Operating Fund	Trust Foundation	2016	2015
ASSETS				
Current				
Cash	\$ 28,823	\$ 8,967	\$ 37,790	\$ 21,827
Short-term investments (Note 2)	-	-	-	122,003
Accounts receivable	19,960	-	19,960	30,870
Interest receivable	291	634	925	2,363
Harmonized sales tax recoverable	3,000	-	3,000	627
	52,074	9,601	61,675	177,690
TANGIBLE CAPITAL ASSETS (Net of accumulated amortization) (Note 3)				
	1,636	-	1,636	2,264
LONG-TERM INVESTMENT (Note 2)				
	38,532	86,996	125,528	-
	\$ 92,242	\$ 96,597	\$ 188,839	\$ 179,954
LIABILITIES				
Current				
Accounts payable and accrued liabilities	\$ 8,470	\$ -	\$ 8,470	\$ 14,835
NET ASSETS				
Unrestricted net assets	83,772	-	83,772	69,976
Internally restricted net assets	-	96,597	96,597	95,143
	83,772	96,597	180,369	165,119
	\$ 92,242	\$ 96,597	\$ 188,839	\$ 179,954

ON BEHALF OF THE BOARD

 Director

 Director

ONTARIO LACROSSE HALL OF FAME & MUSEUM
Statement of Revenues and Expenditures and Changes in Net Assets
Year Ended December 31, 2016

	Operating Fund	Trust Foundation	2016	2015
REVENUES				
Fundraising	\$ 56,833	\$ -	\$ 56,833	\$ 42,236
Donations	525	-	525	903
Investment income	633	1,454	2,087	1,751
Other income	-	-	-	695
	57,991	1,454	59,445	45,585
EXPENDITURES				
Amortization of tangible capital assets	628	-	628	882
Fundraising costs	36,399	-	36,399	17,595
Interest and bank charges	20	-	20	100
Museum display costs <i>(Note 4)</i>	3,742	-	3,742	2,724
Office and administration	1,071	-	1,071	872
Professional services	2,335	-	2,335	2,162
	44,195	-	44,195	24,335
EXCESS OF REVENUES OVER EXPENDITURES	13,796	1,454	15,250	21,250
NET ASSETS - BEGINNING OF YEAR	69,976	95,143	165,119	143,869
	83,772	96,597	180,369	165,119
TRANSFER FROM BINGO FUND	-	-	-	4,246
TRANSFER TO OPERATING FUND	-	-	-	(4,246)
TRANSFER TO TRUST FOUNDATION	-	-	-	(4,659)
TRANSFER FROM OPERATING FUND	-	-	-	4,659
NET ASSETS - END OF YEAR	\$ 83,772	\$ 96,597	\$ 180,369	\$ 165,119

See notes to financial statements

ONTARIO LACROSSE HALL OF FAME & MUSEUM

Cash Flow Statement

Year Ended December 31, 2016

	Operating Fund	Trust Foundation	2016	2015
OPERATING ACTIVITIES				
Excess of revenues over expenditures	\$ 13,796	\$ 1,454	\$ 15,250	\$ 21,250
Item not affecting cash:				
Amortization of tangible capital assets	628	-	628	882
	14,424	1,454	15,878	22,132
Changes in non-cash working capital:				
Accounts receivable	10,910	-	10,910	(30,870)
Interest receivable	899	539	1,438	(1,115)
Harmonized sales tax payable	(2,373)	-	(2,373)	209
Accounts payable and accrued liabilities	(6,365)	-	(6,365)	12,435
	3,071	539	3,610	(19,341)
Cash flows from operating activities	17,495	1,993	19,488	2,791
INVESTING ACTIVITIES				
Proceeds on disposal of short-term investments	37,000	85,003	122,003	65,408
Purchase of short-term investments	-	-	-	(77,003)
Purchase of long-term investment	(38,532)	(86,996)	(125,528)	-
Cash flows from investing activities	(1,532)	(1,993)	(3,525)	(11,595)
FINANCING ACTIVITIES				
Interfund transfers in	-	-	-	8,906
Interfund transfers out	-	-	-	(8,906)
Cash flows from financing activities	-	-	-	-
INCREASE (DECREASE) IN CASH	15,963	-	15,963	(8,804)
CASH - BEGINNING OF YEAR	12,860	8,967	21,827	30,631
CASH - END OF YEAR	\$ 28,823	\$ 8,967	\$ 37,790	\$ 21,827

See notes to financial statements

ONTARIO LACROSSE HALL OF FAME & MUSEUM

Notes to Financial Statements

December 31, 2016

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.

1. 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 is an unrestricted fund.

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.

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 expenditures 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.

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ONTARIO LACROSSE HALL OF FAME & MUSEUM

Notes to Financial Statements

December 31, 2016

1. SUMMARY OF ACCOUNTING POLICIES *(continued)*

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 useful lives of tangible capital assets.

Contributed materials and services

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:

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, 2016

1. SUMMARY OF ACCOUNTING POLICIES *(continued)*

Financial instruments

Measurement

The organization initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions which are measured at the carrying value or exchange value, as appropriate. The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable, 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 excess of revenues over expenditures. 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 excess of revenues over expenditures.

Transaction costs

The organization recognizes its transaction costs in excess of revenues over expenditures in the year incurred. However, financial instruments that will not be subsequently measured at fair values are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

2. SHORT AND LONG-TERM INVESTMENTS

		Trust			
	Operating Fund	Foundation	2016	2015	
<u>Short-term investments</u>					
The Bank of Nova Scotia, Cashable GIC, 0.95% p.a., maturing June 11, 2016, maturity value \$37,594	\$ -	\$ -	\$ -	\$ 37,000	
The Bank of Nova Scotia, Cashable GIC, 0.95% p.a., maturing June 24, 2016, maturity value \$40,645	-	-	-	40,003	
The Bank of Nova Scotia, Special rate GIC, 2.0% p.a., maturing August 19, 2016, maturity value \$47,285	-	-	-	45,000	
	\$ -	\$ -	\$ -	\$ 122,003	
<u>Long-term investment</u>					
The Bank of Nova Scotia, Special rate GIC, 1.51% p.a., maturing February 19, 2018, maturity value \$128,393	\$ 38,532	\$ 86,996	\$ 125,528	\$ -	

ONTARIO LACROSSE HALL OF FAME & MUSEUM

Notes to Financial Statements

December 31, 2016

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Display cases	\$ 9,250	\$ 8,854	\$ 396	\$ 493
Touch screen kiosks	4,252	3,012	1,240	1,771
	\$ 13,502	\$ 11,866	\$ 1,636	\$ 2,264

4. 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.

5. 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.