

ONTARIO LACROSSE HALL OF FAME & MUSEUM

Financial Statements

Year Ended December 31, 2018

ONTARIO LACROSSE HALL OF FAME & MUSEUM

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Year Ended December 31, 2018**

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INDEPENDENT AUDITOR'S REPORT

To the Members of Ontario Lacrosse Hall of Fame & Museum

Qualified Opinion

We have audited the financial statements of Ontario Lacrosse Hall of Fame & Museum (the Organization), which comprise the statement of financial position as at December 31, 2018, and the statements of revenues and expenditures and 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.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization 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 the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2018, current assets and net assets as at December 31, 2018. Our audit opinion on the financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Organization 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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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 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, 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 Organization'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 Organization'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 Organization 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.

Mississauga, Ontario
April 27, 2019



McCARNEY GROUP LLP
Chartered Professional Accountants
Licensed Public Accountants

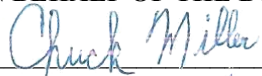
ONTARIO LACROSSE HALL OF FAME & MUSEUM


Statement of Financial Position

As at December 31, 2018

	Operating Fund	Trust Foundation	2018	2017
ASSETS				
Current				
Cash	\$ 54,353	\$ 118	\$ 54,471	\$ 27,645
Short-term investment (Note 3)	1,043	2,354	3,397	125,528
Accounts receivable	14,950	-	14,950	24,450
Interest receivable	681	1,534	2,215	2,831
Harmonized sales tax recoverable	3,130	-	3,130	8,497
Prepaid expenditures	-	-	-	2,500
	74,157	4,006	78,163	191,451
LONG-TERM				
INVESTMENT (Note 3)	38,375	86,625	125,000	-
	\$ 112,532	\$ 90,631	\$ 203,163	\$ 191,451
LIABILITIES				
Current				
Accounts payable and accrued liabilities	\$ 7,360	\$ -	\$ 7,360	\$ 13,410
NET ASSETS				
Unrestricted net assets	105,172	-	105,172	88,743
Internally restricted net assets	-	90,631	90,631	89,298
	105,172	90,631	195,803	178,041
	\$ 112,532	\$ 90,631	\$ 203,163	\$ 191,451

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

See notes to financial statements

ONTARIO LACROSSE HALL OF FAME & MUSEUM
Statement of Revenues and Expenditures and Changes in Net Assets
Year Ended December 31, 2018

	Operating Fund	Trust Foundation	2018	2017
REVENUES				
Fundraising	\$ 40,251	\$ -	\$ 40,251	\$ 37,611
Donations	15,300	-	15,300	29,700
Investment income	1,545	3,488	5,033	1,906
Other income	860	-	860	1,226
	57,956	3,488	61,444	70,443
EXPENDITURES				
Fundraising costs	27,084	-	27,084	26,921
Insurance	3,138	-	3,138	2,878
Interest and bank charges	52	-	52	76
Museum display costs <i>(Note 4)</i>	5,559	-	5,559	17,850
Office and administration	5,043	-	5,043	21,123
Professional services	2,806	-	2,806	2,287
	43,682	-	43,682	71,135
NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	14,274	3,488	17,762	(692)
INTERFUND TRANSFERS	2,155	(2,155)	-	-
NET ASSETS - BEGINNING OF YEAR, AS PREVIOUSLY STATED	88,743	89,298	178,041	180,369
Retrospective change in tangible capital asset accounting policy <i>(Note 2)</i>	-	-	-	(1,636)
NET ASSETS - BEGINNING OF YEAR, AS RESTATED	90,898	87,143	178,041	178,733
NET ASSETS - END OF YEAR	\$ 105,172	\$ 90,631	\$ 195,803	\$ 178,041

See notes to financial statements

ONTARIO LACROSSE HALL OF FAME & MUSEUM

Statement of Cash Flows

Year Ended December 31, 2018

	Operating Fund	Trust Foundation	2018	2017
OPERATING ACTIVITIES				
Net excess (deficiency) of revenues over expenditures	\$ 14,274	\$ 3,488	\$ 17,762	\$ (692)
Changes in non-cash working capital:				
Accounts receivable	9,500	-	9,500	(4,490)
Interest receivable	196	420	616	(1,906)
Harmonized sales tax payable	5,367	-	5,367	(5,497)
Prepaid expenditures	2,500	-	2,500	(2,500)
Accounts payable and accrued liabilities	(6,050)	-	(6,050)	4,940
	11,513	420	11,933	(9,453)
Cash flows from operating activities	25,787	3,908	29,695	(10,145)
INVESTING ACTIVITIES				
Maturity of short-term investment	38,532	86,996	125,528	-
Purchase of short-term investment	(1,043)	(2,354)	(3,397)	-
Purchase of long-term investment	(38,375)	(86,625)	(125,000)	-
Cash flows from investing activities	(886)	(1,983)	(2,869)	-
FINANCING ACTIVITY				
Interfund transfers	2,155	(2,155)	-	-
INCREASE (DECREASE) IN CASH	27,056	(230)	26,826	(10,145)
CASH - BEGINNING OF YEAR	27,297	348	27,645	37,790
CASH - END OF YEAR	\$ 54,353	\$ 118	\$ 54,471	\$ 27,645

See notes to financial statements

ONTARIO LACROSSE HALL OF FAME & MUSEUM

Notes to Financial Statements

December 31, 2018

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, 2018

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.

Example of significant estimates is:

- the accrual of liabilities.

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.

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.

Tangible capital assets

These purchases are expensed as incurred. See note 2.

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.

ONTARIO LACROSSE HALL OF FAME & MUSEUM

Notes to Financial Statements

December 31, 2018

2. CHANGE IN ACCOUNTING POLICY

In 2017, the organization changed its accounting policy. Previously tangible capital assets were recorded at cost and amortized over their estimated useful lives on a declining balance basis. For 2017 and subsequent years, the organization will treat tangible capital asset purchases as period expenses and categorize them as Museum display cost in the Statement of Revenues and Expenditures and Changes in Net Assets. This change in accounting policy has been applied retrospectively.

3. SHORT AND LONG-TERM INVESTMENTS

	Operating Fund	Trust Foundation	2018	2017
<u>Short-term investment</u>				
The Bank of Nova Scotia, Savings Accelerator	\$ 1,043	\$ 2,354	\$ 3,397	\$ -
The Bank of Nova Scotia, Special rate GIC, 1.51% p.a., maturing February 19, 2018, maturity value \$128,393	-	-	-	125,528
	\$ 1,043	\$ 2,354	\$ 3,397	\$ 125,528
<u>Long-term investment</u>				
The Bank of Nova Scotia, Special rate GIC, 1.91% p.a., maturing February 27, 2020, maturity value \$51,928 and 2.50% p.a, maturing on February 27, 2021, maturity value \$80,182	\$ 38,375	\$ 86,625	\$ 125,000	\$ -

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.