

**AUSTRALIAN FOOTBALL LEAGUE CANADA
Financial Statements**

For the year ended October 31, 2018

AUSTRALIAN FOOTBALL LEAGUE CANADA

Index to the Financial Statements

Year Ended October 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the AUSTRALIAN FOOTBALL LEAGUE CANADA

I have audited the accompanying financial statements of the AUSTRALIAN FOOTBALL LEAGUE CANADA, which comprise the financial position as at October 31, 2018, and the statements of operations and changes in net assets and cash flows for the year then ended October 31, 2018, and a summary of significant accounting policies.

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 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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the AUSTRALIAN FOOTBALL LEAGUE CANADA as at October 31, 2018 and the results of its operations, change in net assets and cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

St. Catharines, Ontario

Professional Corporation
Authorized to practice public
accounting by the Chartered
Professional Accountants of Ontario

AUSTRALIAN FOOTBALL LEAGUE CANADA
 Statement of Financial Position as at October 31, 2018

	2018	2017
ASSETS		
Current assets		
Cash	\$67,448	\$79,841
Accounts receivable	18,541	13,229
Inventory	16,996	-
Prepaid expenses	4,118	3,206
	<hr/> 107,103	<hr/> 96,276
	<hr/> <hr/> \$107,103	<hr/> <hr/> \$96,276
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$5,975	\$6,925
	<hr/> 5,975	<hr/> 6,925
Net Assets	101,128	89,351
	<hr/> <hr/> \$107,103	<hr/> <hr/> \$96,276

See accompanying notes to the financial statements

On Behalf of the Board of Directors:

Director: _____

Director: _____

AUSTRALIAN FOOTBALL LEAGUE CANADA

Statement of Operations and Changes in Net Assets for the year ended October 31, 2018

	2018	2017
Revenue:		
AFL Grant	\$71,745	\$48,445
Association dues	38,116	35,452
Football revenue	5,302	14,608
Sponsorship revenue	2,830	12,731
Merchandise revenue	2,240	9,352
Miscellaneous revenue	409	1,095
	<hr/> 120,642	<hr/> 121,683
Operating Expenses:		
Development manager fees and expenses	57,146	-
National teams expense	1,134	51,214
Insurance	20,575	19,784
Football expense	9,377	19,264
Member club grant expense	6,276	4,643
National tournament expense	5,761	-
Professional fees	3,213	3,979
Training and conferences	652	-
Merchandise expense	2,419	8,827
Advertising and promotion	2,107	812
Administrative expenses	205	159
	<hr/> 108,865	<hr/> 108,682
Excess of revenue over expenditures	11,777	13,001
Net assets, beginning of the year	89,351	76,350
Net assets, end of the year	\$101,128	\$89,351

See accompanying notes to the financial statements

AUSTRALIAN FOOTBALL LEAGUE CANADA
 Statement of Cash Flows for the year ended October 31, 2018

	2018	2017
Cash flows from operating activities		
Excess of revenue over expenditures	\$11,777	\$13,001
Changes in non-cash working capital:		
Accounts receivable	(5,312)	29,705
Inventory	(16,996)	-
Prepaid expenses	(912)	602
Accounts payable and accrued liabilities	(950)	(1,676)
Net cash provided by (used in) operating activities	<u>(12,393)</u>	<u>41,632</u>
Net increase (decrease) in cash	(12,393)	41,632
Cash at the beginning of the year	79,841	38,209
Cash at the end of the year	\$67,448	\$79,841

See accompanying notes to the financial statements

AUSTRALIAN FOOTBALL LEAGUE CANADA

Notes to Financial Statements
Year Ended October 31, 2018

1. Purpose of the Organization

The Australian Football League Canada is a not-for-profit organization incorporated without share capital. The purpose of the organization is to promote development and awareness of Australian football in Canada. The organization is the governing body for all Australian football leagues and clubs in Canada and manage and oversee the National teams.

2. Summary of Significant Accounting Policies

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant policies:

(a) 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 when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Association dues are recognized as revenue when earned. Football revenue is recognized as revenue when billed.

(b) Cash and Cash Equivalents

The organization's policy is to present bank balances under cash and cash equivalents including bank overdrafts.

(c) Inventory

Inventory consists of footballs and apparel and is valued at the lower of cost and net realizable value. Cost has been determined on the first-in, first-out basis.

(d) Capital expenditures

Capital expenditures are expensed in the year of acquisition.

(e) Contributed Services

Contributed services are not recognized in the financial statements due to the difficulty of determining their fair value.

AUSTRALIAN FOOTBALL LEAGUE CANADA

Notes to Financial Statements
Year Ended October 31, 2018

2. Summary of Significant Accounting Policies (con'd)

(f) Income Tax Provision

The organization does not provide for income taxes under existing legislation as it is organized and operated exclusively for recreational purposes and no part of income is available for the personal benefit of any of its members.

(g) Use of Estimates

The preparation of the organization's financial statement 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 and the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from such estimates.

(h) Financial Instruments

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 cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable.

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

For financial assets subsequently measured at cost or amortized cost, the organization regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the organization determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

AUSTRALIAN FOOTBALL LEAGUE CANADA
Notes to Financial Statements
Year Ended October 31, 2018

3. Financial Instruments

The organization is exposed to various risks through its financial instruments.

Credit risk

For accounts receivable, the organization assesses, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirement obligations as they come due. The organization manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.