

AUSTRALIAN FOOTBALL LEAGUE CANADA
Financial Statements

For the year ended October 31, 2023

AUSTRALIAN FOOTBALL LEAGUE CANADA
Index to the Financial Statements
Year Ended October 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of AUSTRALIAN FOOTBALL LEAGUE CANADA

Opinion

I have audited the accompanying financial statements of the AUSTRALIAN FOOTBALL LEAGUE CANADA, which comprise the financial position as at October 31, 2023, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of AUSTRALIAN FOOTBALL LEAGUE CANADA as at October 31, 2023 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.

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 AUSTRALIAN FOOTBALL LEAGUE CANADA'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 AUSTRALIAN FOOTBALL LEAGUE CANADA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing AUSTRALIAN FOOTBALL LEAGUE CANADA's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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.

Auditor's Responsibilities for the Audit of the Financial Statements (con'd)

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 AUSTRALIAN FOOTBALL LEAGUE CANADA'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 AUSTRALIAN FOOTBALL LEAGUE CANADA's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause AUSTRALIAN FOOTBALL LEAGUE CANADA 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



NICOLE HENDERSON
PROFESSIONAL CORPORATION
Authorized to practice public
accounting by the Chartered
Professional Accountants of Ontario

April 19, 2024
St. Catharines, Ontario



NICOLE HENDERSON
Professional Corporation
CHARTERED PROFESSIONAL ACCOUNTANT

AUSTRALIAN FOOTBALL LEAGUE CANADA
Statement of Financial Position as at October 31, 2023

	2023	2022
ASSETS		
Current assets		
Cash	\$72,832	\$142,921
Accounts receivable	15,528	7,059
Inventory	15,249	21,417
Prepaid expenses	3,677	2,359
	<u>107,286</u>	<u>173,756</u>
	<u>\$107,286</u>	<u>\$173,756</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued liabilities	\$3,420	\$9,295
	<u>3,420</u>	<u>9,295</u>
Net Assets	103,866	164,461
	<u>\$107,286</u>	<u>\$173,756</u>

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, 2023

	2023	2022
Revenue:		
AFL Grant	\$91,128	\$89,897
Other grant revenue	8,380	18,127
Association dues	30,708	18,320
Football and merchandise revenue	11,484	17,910
Sponsorship revenue	18,000	10,627
Junior program revenue	16,719	-
Employee reimbursement revenue	57,693	48,873
Donation revenue	5,553	1,560
Miscellaneous revenue	2,596	420
	<hr/>	<hr/>
	242,261	205,734
 Operating Expenses:		
National teams expense	23,738	21,405
Insurance	20,683	11,758
Football expense	10,795	9,431
Junior program expense	3,960	-
Designated donation expense	-	500
Member club grant expense	4,289	1,818
National tournament expense	9,931	8,242
Professional fees	2,623	2,159
Meetings and conferences	5,102	4,165
Merchandise expense	311	7,527
Advertising and promotion	2,726	16,206
Administrative expenses	5,824	6,815
Wages and benefits	135,687	68,494
Intern wages and benefits	76,736	53,776
Northern Lights Project Grant expense	451	11,631
	<hr/>	<hr/>
	302,856	223,927
 Excess of expenditures over revenue	<hr/>	<hr/>
	(60,595)	(18,193)
 Net assets, beginning of the year	164,461	182,654
 Net assets, end of the year	<hr/>	<hr/>
	\$103,866	\$164,461

See accompanying notes to the financial statements

AUSTRALIAN FOOTBALL LEAGUE CANADA
Statement of Cash Flows for the year ended October 31, 2023

	2023	2022
Cash flows from operating activities		
Excess of expenditures over revenue	(\$60,595)	(\$18,193)
Changes in non-cash working capital:		
Accounts receivable	(8,469)	(3,012)
Inventory	6,168	(3,172)
Prepaid expenses	(1,318)	(2,359)
Accounts payable and accrued liabilities	(5,875)	(661)
Net cash used in operating activities	(70,089)	(27,397)
Net decrease in cash	(70,089)	(27,397)
Cash at the beginning of the year	142,921	170,318
Cash at the end of the year	\$72,832	\$142,921

See accompanying notes to the financial statements

AUSTRALIAN FOOTBALL LEAGUE CANADA

Notes to Financial Statements

Year Ended October 31, 2023

1. Purpose of the Organization

The Australian Football League Canada is a not-for-profit organization incorporated without share capital and is a Registered Canadian Amateur Athletic Association. 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 and junior program revenue are recognized as revenue when earned. Sponsorship and football and merchandise 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 merchandise 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, 2023

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.

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.