

FEDERATION OF INTERNATIONAL LACROSSE, INC. - WORLD LACROSSE™

(A NOT FOR PROFIT CORPORATION)

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the years ended December 31, 2019 and 2018

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***Joseph A. Sciacca & Company
Certified Public Accountants, P.C.***

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Accountants & Business Consultants

***140 Adams Ave. Suite A5
Hauppauge, NY 11788
(631)592-1552 Fax (631)273-0877***

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Federation of International Lacrosse, Inc.- World Lacrosse™

We have audited the accompanying financial statements of Federation of International Lacrosse, Inc. -World Lacrosse™ (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019 and December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Federation of International Lacrosse, Inc. as of December 31, 2019, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

As described in Note 2 to the financial statements, of Federation of International Lacrosse, Inc. implemented Accounting Standards Update 2016-14 Presentation of Financial Statements of Not-for-Profit Entities, and the effects have been included in these financial statements.

Our opinion is not modified with respect to this matter.

Joseph A. Sciacca & Company, CPA, PC

October 1, 2020

FEDERATION OF INTERNATIONAL LACROSSE, INC.-WORLD LACROSSE™
(A NOT FOR PROFIT CORPORATION)

STATEMENTS OF FINANCIAL POSITION

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,477,167	\$ 3,498,857
Grant Receivable	31,980	
Membership Dues Receivable (note 1)	500	3,505
Investments (note 2)	37,276	31,928
Loan - Israel Lacrosse (note 4)	<u>60,000</u>	<u>60,000</u>
 Total Current Assets	 <u>\$ 1,606,923</u>	 <u>\$ 3,594,290</u>
LONG TERM ASSETS		
Rent Security Deposit	2,945	-
Loan - Israel Lacrosse (note 4)	<u>175,000</u>	<u>220,000</u>
 Total Assets	 <u><u>\$ 1,784,867</u></u>	 <u><u>\$ 3,814,290</u></u>
LIABILITIES		
Accounts Payable & Accrued Expenses	\$ 51,609	\$ 6,000
Credit Card Payable	47,203	27,491
Deferred Grant Revenue (note 5)	<u>250,000</u>	<u>2,750,000</u>
 Total Liabilities	 348,812	 2,783,491
 NET ASSETS, UNRESTRICTED	 <u>1,436,054</u>	 <u>1,030,799</u>
 Total Net Assets & Liabilities	 <u><u>\$ 1,784,867</u></u>	 <u><u>\$ 3,814,290</u></u>

The accompanying notes are an integral part of these financial statements.

FEDERATION OF INTERNATIONAL LACROSSE, INC.-WORLD LACROSSE™
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STATEMENT OF ACTIVITIES

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues	\$ 3,006,244	\$ 1,589,940
Support and Program Services	<u>2,600,988</u>	<u>1,046,026</u>
Increase in Net Assets	405,255	543,914
Net Assets, Unrestricted - Beginning of Year	<u>1,030,799</u>	<u>486,885</u>
Net Assets, Unrestricted - End of Year	<u>\$ 1,436,054</u>	<u>\$ 1,030,799</u>

The accompanying notes are an integral part of these financial statements.

FEDERATION OF INTERNATIONAL LACROSSE, INC.-WORLD LACROSSE™
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STATEMENT OF CASH FLOWS

For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets for year	\$ 405,255	\$ 543,914
ADJUSTMENTS TO RECONCILE NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
(Increase) decrease in grant receivable	(31,980)	
(Increase) decrease in membership dues receivable	3,005	(2,315)
(Increase) decrease in security deposit	(2,945)	
Increase (decrease) in accounts payable & accrued expenses	65,323	28,990
Increase (decrease) in deferred grant revenue	<u>(2,500,000)</u>	<u>2,280,000</u>
Net cash provided (used) by operating activities	<u>(2,061,341)</u>	<u>2,850,589</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Increase) decrease loans to Israel Lacrosse	<u>45,000</u>	<u>(280,000)</u>
Net cash provided (used) by financing activities	<u>45,000</u>	<u>(280,000)</u>
Net change in cash and cash equivalents	(2,016,341)	2,570,589
Cash and cash equivalents - beginning of year	<u>3,530,784</u>	<u>960,195</u>
Cash and cash equivalents - end of year	<u>\$ 1,514,443</u>	<u>\$ 3,530,784</u>

The accompanying notes are an integral part of these financial statements.

FEDERATION OF INTERNATIONAL LACROSSE, INC.-WORLD LACROSSE™
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NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Federation of International Lacrosse, Inc. (FIL™) was established on September 30, 2008. It was formed via a Certificate of Amendment name change to its predecessor which was the International Lacrosse Federation, Inc. which was formed on December 1, 1999. FIL™ is a 501 (c)(3) federally tax exempt organization. The Federation of International Lacrosse™, shortened to FIL™, was established in a merger of both the men's and women's international lacrosse associations. FIL™ is responsible for the Men's World Lacrosse Championship, World Indoor Lacrosse Championship, Women's Lacrosse World Cup, and both the Men's and Women's Under-19 World Lacrosse Championships. These events are held every four years. FIL™ is responsible for the governance and integrity of all forms of Lacrosse and provides responsive and effective leadership to support the sport's development throughout the world.

New Name, Logo and Brand Platform

On May 6, 2019, FIL™ announced that its new name will be World Lacrosse™. The new name, logo and brand platform will add further momentum to the already rapid growth lacrosse is enjoying worldwide, while generating increased awareness and support for the federation.

Basis of Accounting

The accompanying financial statements include the assets, liabilities, net assets and financial activities of the FIL™. The method of accounting used in the determination of income and expense is the "accrual method". Under the accrual method, income is included for periods when all events have occurred which fix the right to receive such income, for which amounts may be determined with reasonable accuracy. Expenses are recorded for periods in which all events have occurred which establish the fact of the liability giving rise to the expense, for which amounts may also be determined with reasonable accuracy.

FEDERATION OF INTERNATIONAL LACROSSE, INC.-WORLD LACROSSE™.
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NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 1- SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in Accounting Principle - In August 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment returns. The Federation of International Lacrosse, Inc. has adopted ASU 2016—14 for the current year and has adjusted the presentation of the financial statements accordingly.

Income Taxes

The fund operates as a nonprofit corporation and has received exempt status under Section 501 (c) (3) of the Internal Revenue Code. It received its exemption status on April 1, 2000 from the Internal Revenue Service.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the organization to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Membership Dues Receivable

Dues and assessments from members are accrued only as to those amounts applicable to the fiscal periods which ended on or before the balance sheet dates. They are calculated from contributions received subsequent to the balance sheet dates. These amounts have been computed as of October 1, 2020 and do not represent delinquent contributions.

NOTE 2 – INVESTMENT VALUATION AND INCOME RECOGNITION

If available, quoted market value prices are used to value investments. The amounts shown for securities that have no quoted market price represent estimated fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest and dividend income are recorded on the accrual basis.

FEDERATION OF INTERNATIONAL LACROSSE, INC.-WORLD LACROSSE™ (A
NOT FOR PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 3 - SUPPLEMENTAL CASH FLOW INFORMATION

There were no cash payments made for interest for the years ended December 31, 2019 and 2018.

For purposes of the statements of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

NOTE 4 – LOAN TO ISRAEL LACROSSE ASSOCIATION

A loan was made to the Israel Lacrosse Association on December 22, 2018 in the amount of \$280,000 for debts arising from the 2018 World Championships games that were hosted by the Israel Lacrosse Association. The loan is for a period of 4 years calculated from December 31, 2018. Payment terms include 16 quarterly payments of \$15,000 and a final balloon payment for the remaining \$66,000 with the first payment to be made in the 1st quarter of 2019 with payments totaling \$306,000. The additional \$26,000 to be paid to FIL along with the principal loan repayment represents of 10% of gate money from the 2018 World Championships. The balance as of December 31, 2019 was \$235,000.

NOTE 5 – DEFERRED GRANT REVENUE

Deferred Grant Revenue represents support committed from a donor foundation that was received in December 2019 but not to be utilized until the fiscal year 2020.

NOTE 6 - LEASED FACILITIES

FIL™ leases space for its administrative office and program services. In 2019, FIL™ entered into a lease agreement for its office facility in Colorado Springs, CO. The lease expires April 30, 2022. Rent expense for the year ended December 31, 2019 was \$40,856 which included rents for temporary spaces in other satellite locations. The rent for the main office was \$17,024. The minimum annual rental payments over the next three years are as follows:

2020	\$	23,353
2021		24,226
2022		6,111
	\$	<u>53,590</u>

SUPPLEMENTARY INFORMATION

FEDERATION OF INTERNATIONAL LACROSSE, INC.-WORLD LACROSSE™
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SCHEDULES OF REVENUE

For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Membership Dues and Assessments	\$ 217,073	\$ 289,621
Public Donations and Support	2,781,980	1,302,500
Unrealized Gain (loss) on Investments	5,348	(2,873)
Interest Income	1,844	692
	<u>\$ 3,006,244</u>	<u>\$ 1,589,940</u>

See independent auditor's report.

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SCHEDULES OF SUPPORT & PROGRAM SERVICES

For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Salaries Paid	\$ 538,528	\$ 191,520
Payroll Taxes	37,273	12,588
Payroll Service Fees	2,225	1,551
Accounting and Audit Fees	11,568	6,480
Legal Fees	6,676	
Anti-Doping Fees	54,147	9,595
Bank Charges	1,407	1,347
Brand Development	135,986	
Delegate Organizational Meeting and Travel Costs	335,995	212,918
Development/Olympic Committee expenses	258,108	104,838
Employee Benefits	44,948	
Grants and Fundraising	41,591	
Membership Fees	6,606	9,312
Insurance	16,078	17,706
Marketing and Promotional Materials	176,176	4,470
Member Team's Support	215,262	237,282
Office Expenses and Supplies	48,792	
Office Rent	40,586	
Tax Filings & Related Fees	275	635
Printing, Publications, Postage and Shipping	11,335	1,097
Sport Development/International Relations Consulting	387,140	146,592
Tournament Fees and Related Expenses	14,928	38,871
Website, Social Media, & Marketing	<u>215,361</u>	<u>49,224</u>
See independent auditor's report.	\$ <u>2,600,988</u>	\$ <u>1,046,026</u>