

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

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the years ended December 31, 2018 and 2017

CONTENTS

| | Page |
|---|------|
| Independent Auditor's Report | 1 |
| FINANCIAL STATEMENTS | |
| STATEMENTS OF FINANCIAL POSITION | 2 |
| STATEMENTS OF ACTIVITIES | 3 |
| STATEMENTS OF CASH FLOWS | 4 |
| NOTES TO FINANCIAL STATEMENTS | 5-7 |
| ADDITIONAL INFORMATION | |
| SCHEDULES OF REVENUES | 8 |
| SCHEDULES OF SUPPORT AND PROGRAM SERVICES | 9 |

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

~

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.

We have audited the accompanying statements of financial position of Federation of International Lacrosse, Inc. (a nonprofit corporation) as of December 31, 2018 and 2017 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Joseph A. Sciacca & Company, CPA, PC

Hauppauge, New York
June 1, 2019

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

STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

| | <u>2018</u> | <u>2017</u> |
|-------------------------------------|----------------------------|--------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 3,498,857 | \$ 925,394 |
| Membership Dues Receivable (note 1) | 3,505 | 1,190 |
| Investments (note 2) | 31,928 | 34,801 |
| Loan - Israel Lacrosse (note 5) | <u>60,000</u> | <u>0</u> |
| Total Current Assets | \$ <u>3,594,290</u> | \$ <u>961,385</u> |
| LONG TERM ASSETS | | |
| Loan - Israel Lacrosse (note 5) | <u>220,000</u> | <u>-</u> |
| Total Assets | \$ <u><u>3,814,290</u></u> | \$ <u><u>961,385</u></u> |
| LIABILITIES | | |
| Accounts Payable & Accrued Expenses | \$ 6,000 | \$ 4,500 |
| Credit Card Payable | 27,491 | 0 |
| Deferred Grant Revenue (note 3) | <u>2,750,000</u> | <u>470,000</u> |
| Total Liabilities | 2,783,491 | 474,500 |
| NET ASSETS, UNRESTRICTED | <u>1,030,799</u> | <u>486,885</u> |
| Total Net Assets & Liabilities | \$ <u><u>3,814,290</u></u> | \$ <u><u>961,385</u></u> |

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

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

STATEMENT OF ACTIVITIES

December 31, 2018 and 2017

| | <u>2018</u> | <u>2017</u> |
|--|---------------------|-------------------|
| Revenues | \$ 1,589,940 | \$ 871,191 |
| Support and Program Services | <u>1,046,026</u> | <u>646,575</u> |
| Increase in Net Assets | 543,914 | 224,616 |
| Net Assets, Unrestricted - Beginning of Year | <u>486,885</u> | <u>262,269</u> |
| Net Assets, Unrestricted - End of Year | <u>\$ 1,030,799</u> | <u>\$ 486,885</u> |

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

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

STATEMENT OF CASH FLOWS

For the years ended December 31, 2018 and 2017

| | <u>2018</u> | <u>2017</u> |
|---|----------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Increase (decrease) in net assets for year | \$ 543,914 | \$ 224,616 |
| ADJUSTMENTS TO RECONCILE NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES | | |
| (Increase) decrease in membership dues receivable | (2,315) | 760 |
| Increase (decrease) in accounts payable & accrued expenses | 28,990 | 500 |
| Increase (decrease) in deferred grant revenue | <u>2,280,000</u> | <u>470,000</u> |
| Net cash provided (used) by operating activities | <u>2,850,589</u> | <u>695,876</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| (Increase) decrease loans to Israel Lacrosse | <u>(280,000)</u> | <u>0</u> |
| Net cash provided (used) by financing activities | <u>(280,000)</u> | <u>0</u> |
| Net change in cash and cash equivalents | 2,570,589 | 695,876 |
| Cash and cash equivalents - beginning of year | <u>960,195</u> | <u>264,319</u> |
| Cash and cash equivalents - end of year | \$ <u><u>3,530,784</u></u> | \$ <u><u>960,195</u></u> |

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

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

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 Presentation

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.
(A NOT FOR PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 1- SIGNIFICANT ACCOUNTING POLICIES (continued)

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 April 30, 2019 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.

NOTE 3 – DEFERRED GRANT REVENUE

Deferred Grant Revenue represents support committed from a donor foundation that was received in December 2018 but not to be utilized until the fiscal year 2019.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 4 - SUPPLEMENTAL CASH FLOW INFORMATION

There were no cash payments made for interest for the years ended December 31, 2018 and 2017.

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 5 – 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.

ADDITIONAL INFORMATION

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

SCHEDULES OF REVENUE

For the years ended December 31, 2018 and 2017

| | <u>2018</u> | <u>2017</u> |
|---------------------------------------|---------------------|-------------------|
| Membership Dues and Assessments | \$ 289,621 | \$ 323,897 |
| Public Donations and Support | 1,302,500 | 542,836 |
| Unrealized Gain (loss) on Investments | (2,873) | 4,287 |
| Interest Income | <u>692</u> | <u>171</u> |
| | <u>\$ 1,589,940</u> | <u>\$ 871,191</u> |

See independent auditor's report.

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

SCHEDULES OF SUPPORT & PROGRAM SERVICES

For the years ended December 31, 2018 and 2017

| | <u>2018</u> | <u>2017</u> |
|--|---------------------|-------------------|
| Salaries Paid | \$ 34,405 | \$ 0 |
| Salaries Paid - CEO | 157,115 | 80,769 |
| Employment Search Expense | 0 | 40,000 |
| Payroll Taxes | 12,588 | 6,485 |
| Payroll Service Fees | 1,551 | 550 |
| Accounting & Audit Fees | 6,480 | 8,245 |
| Anti-Doping Fees | 9,595 | 1,742 |
| Bank Charges | 1,347 | 945 |
| Delegate Organizational Meeting and Travel Costs | 212,918 | 205,677 |
| Development Committee Clinics and Equipment Expenses | 104,838 | 91,806 |
| Membership Fees | 9,312 | 0 |
| Insurance | 17,706 | 6,567 |
| Marketing and Promotional Materials | 4,470 | 13,243 |
| Member Team's Support | 237,282 | 82,132 |
| Tax Filings & Related Fees | 635 | 125 |
| Printing, Publications, Postage and Shipping | 1,097 | 445 |
| Sports Accord Fees and Expenses | 0 | 4,185 |
| Sport Development Consulting | 146,592 | 0 |
| Tournament Fees and Related Expenses | 38,871 | 86,114 |
| Website, Social Media, & Marketing | <u>49,224</u> | <u>17,545</u> |
| | <u>\$ 1,046,026</u> | <u>\$ 646,575</u> |

See independent auditor's report.