

THE DEEP RIVER AND AREA MINOR SOCCER CLUB
Financial Statements
(Unaudited)
For the Year Ended December 31, 2018



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members and Directors of:
THE DEEP RIVER AND AREA MINOR SOCCER CLUB

We have reviewed the accompanying financial statements of **THE DEEP RIVER AND AREA MINOR SOCCER CLUB** that comprise the statement of financial position as at December 31, 2018 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of **THE DEEP RIVER AND AREA MINOR SOCCER CLUB** 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.

Dean ~ Sinclair

Chartered Professional Accountants
Licensed Public Accountants

Pembroke, Ontario
August 1, 2019

THE DEEP RIVER AND AREA MINOR SOCCER CLUB
Statement of Financial Position
(Unaudited)
As At December 31, 2018

| | 2018 | 2017 |
|--|------------------|------------------|
| ASSETS | | |
| Current | | |
| Cash | \$ 22,324 | \$ 29,980 |
| Prepaid expenses | 392 | 1,557 |
| | \$ 22,716 | \$ 31,537 |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 2,730 | \$ 1,800 |
| Net assets | | |
| Unrestricted net assets | 19,986 | 29,737 |
| | \$ 22,716 | \$ 31,537 |

Signed on Behalf of the Board

_____ President

_____ Treasurer

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

2.

THE DEEP RIVER AND AREA MINOR SOCCER CLUB
Statement of Changes in Net Assets
(Unaudited)
For the Year Ended December 31, 2018

| | 2018 | 2017 |
|------------------------------------|-------------|-------------|
| Balance - beginning of year | \$ 29,737 | \$ 27,380 |
| Excess of (expenses) revenues | (9,751) | 2,357 |
| Balance - end of year | \$ 19,986 | \$ 29,737 |

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

3.

THE DEEP RIVER AND AREA MINOR SOCCER CLUB
Statement of Operations
(Unaudited)
For the Year Ended December 31, 2018

| | 2018 | 2017 |
|--------------------------------------|-------------------|-----------------|
| Revenues | | |
| Registration fees | \$ 36,940 | \$ 36,101 |
| Sponsorships and miscellaneous | 706 | 1,223 |
| | 37,646 | 37,324 |
| Expenses | | |
| Administration | 2,080 | 2,000 |
| Advertising and promotion | 438 | 361 |
| Bank charges | 475 | 160 |
| Clinics | 517 | 677 |
| Equipment and uniforms | 21,430 | 9,846 |
| Fees and memberships | 7,165 | 6,308 |
| Field rental | 4,962 | 5,847 |
| Office and miscellaneous | 4,321 | 3,916 |
| Professional fees | 1,432 | 1,316 |
| Referee fees | 3,217 | 3,651 |
| Tournament fees | 1,360 | 885 |
| | 47,397 | 34,967 |
| Excess of (expenses) revenues | \$ (9,751) | \$ 2,357 |

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

4.

THE DEEP RIVER AND AREA MINOR SOCCER CLUB
Statement of Cash Flows
(Unaudited)
For the Year Ended December 31, 2018

| | 2018 | 2017 |
|--|------------------|------------------|
| Cash from operating activities | | |
| Excess of (expenses) revenues | \$ (9,751) | \$ 2,357 |
| Change in non-cash working capital items | | |
| Prepaid expenses | 1,166 | (1,517) |
| Accounts payable and accrued liabilities | 929 | 850 |
| (Decrease) increase in cash | (7,656) | 1,690 |
| Cash, beginning of year | 29,980 | 28,290 |
| Cash, end of year | \$ 22,324 | \$ 29,980 |

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

5.

THE DEEP RIVER AND AREA MINOR SOCCER CLUB
Notes to the Financial Statements
(Unaudited)
For the Year Ended December 31, 2018

PURPOSE OF ORGANIZATION

THE DEEP RIVER AND AREA MINOR SOCCER CLUB is incorporated without share capital under the laws of the Province of Ontario. The corporation is a not-for-profit organization and is therefore exempt from income taxes.

The corporation operates a minor soccer league serving children and youth in the Deep River and surrounding area.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Cash

Cash is defined as cash on hand, cash on deposit and short term deposits with a maturity date of less than 90 days, net of cheques outstanding at the reporting date.

Revenue Recognition

The Deep River and Area Minor Soccer Club follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Capital Assets

Capital assets are expensed in the year of acquisition. Capital assets held include sports equipment.

Contributed Services

Volunteers contribute a significant amount of time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Use of Estimates

The preparation of financial statements 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Financial Instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for financial 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 in the period incurred.

Financial assets measured at amortized cost include cash.

Financial liabilities measured at amortized cost include accounts payable.

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 the statement of operations. 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 the statement of operations.

Transactions costs

The organization recognizes its transaction costs in income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

2. **FINANCIAL INSTRUMENTS**

Risks and Concentrations

The organization is exposed to various risks through its financial instruments without being exposed to concentrations of risk. The following analysis provides a measure of the organization's risk exposure and concentrations at the balance sheet date.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable.