

LAKWOOD SOCCER ASSOCIATION INCORPORATED

REVIEW ENGAGEMENT REPORT AND FINANCIAL STATEMENTS

for the year ended July 31, 2023

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of **Lakewood Soccer Association Incorporated**:

I have reviewed the accompanying financial statements of **Lakewood Soccer Association Incorporated** that comprise the statement of financial position as at **July 31, 2023**, and the statements of operations, retained earnings 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

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require myself 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 evaluates 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, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes myself to believe that the financial statements do not present fairly, in all material respects, the financial position of **Lakewood Soccer Association Incorporated** as at **July 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.

Gabriel Ng CPA P.C. Inc.

Saskatoon, Saskatchewan
December 5, 2023

Chartered Professional Accountant
Licensed Professional Accountant

Lakewood Soccer Association Incorporated

Statement of Financial Position as at July 31

(Prepared without audit - see Review Engagement Report)

ASSETS

	<u>2023</u>	<u>2023</u>
Current Assets		
Cash and cash equivalents (Note 3)	\$ 181,172	\$ 90,804
Restricted cash (Note 4)	-	31,527
Prepaid expense	1,599	1,692
	<u>1,599</u>	<u>1,692</u>
	<u>\$ 182,771</u>	<u>\$ 124,023</u>

LIABILITIES

Current Liabilities

Account payable	\$ 25,064	\$ 12,469
Deferred revenue	130,661	-
Source deductions payable	-	1,545
Restricted cash payable (Note 4)	-	31,527
	<u>130,661</u>	<u>31,527</u>
	<u>155,725</u>	<u>45,541</u>

NET ASSETS

Net assets - unappropriated surplus	<u>27,046</u>	<u>78,482</u>
	<u>\$ 182,771</u>	<u>\$ 124,023</u>

Approved by the Board of Directors

Lakewood Soccer Association Incorporated

Statement of Operations and Change in Net Assets for the year ended July 31

(Prepared without audit - see Review Engagement Report)

	2023	2022
Revenue:		
Registrations - indoor	\$ 224,240	\$ 244,862
Registrations - outdoor	182,487	165,638
Tournaments - indoor	49,020	45,785
Tournaments - outdoor	24,319	26,777
Government grants	13,814	866
Lottery	5,952	2,351
Other income	8,194	3,222
Fundraising	777	2,543
Sponsorship and grants	182	5,781
Interest income	60	38
Soccer camps	-	4,678
	509,045	502,541
Expenses:		
Registration fees - indoor season	154,125	151,736
Registration fees - outdoor season	41,145	39,625
Technical director and support staff compensation	156,045	153,104
Facilities rental	61,799	46,364
Uniforms	46,556	18,548
Referee	7,443	-
Evaluation	366	3,768
Equipment	7,707	1,828
Coaching expense	2,102	7,210
Fundraising	-	1,264
Tournament	26,092	6,059
Team wind-up	193	940
Storage and insurance	12,667	13,045
Professional fees	3,110	2,939
Bank fees and merchant charges	9,964	8,241
Office supplies	8,534	9,108
Association administration	8,845	1,857
Board honorarium	4,809	5,600
Board training and development	8,979	9,478
	560,481	480,714
Excess (Deficiency) of Revenue Over Expenses	(51,436)	21,827
Net Assets, Beginning of the Year	78,482	56,655
Net Assets, End of the Year	\$ 27,046	\$ 78,482

Lakewood Soccer Association Incorporated

Statement of Cash Flows for the year ended July 31

(Prepared without audit - see Review Engagement Report)

	<u>2023</u>	<u>2022</u>
Cash was Provided (Used) By		
Operating Activities		
Received from registrations and clinics	\$ 509,078	\$ 502,811
Paid to vendors and coaches	(450,297)	(458,466)
	<u>58,781</u>	<u>44,345</u>
Investing Activities		
Interest received	60	38
	<u>60</u>	<u>38</u>
Increase (Decrease) in Cash and Cash Equivalents	58,841	44,383
Cash and cash equivalents, beginning of the year	<u>122,331</u>	<u>77,948</u>
Cash and cash equivalents, end of the year	<u>\$ 181,172</u>	<u>\$ 122,331</u>
Cash and cash equivalents consists of the following:		
Cash and cash equivalents	\$ 181,172	\$ 90,804
Restricted cash	-	31,527
	<u>181,172</u>	<u>122,331</u>

Lakewood Soccer Association Incorporated

Notes to the Financial Statements

July 31, 2023

(Prepared without audit – see Review Engagement Report)

1. Description of Organization

Lakewood Soccer Association Incorporated (the “Association”) is incorporated under the *Non-Profit Corporation Act of Saskatchewan* on September 29, 2017. The Association was previously operated as an unincorporated organization. The Association organizes soccer activities in the Lakewood neighbourhood of Saskatoon, Saskatchewan.

2. Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

Revenue from registrations, tournaments, camps, clinics, and other activities are recorded when the payment of the applicable fees are made. Registrations expire at the end of the Association’s fiscal year. Interest income is accrued when earned. Fundraising income are recorded when earned.

Donations and fundraising

Cash donations and fundraising proceeds are shown as revenue. Although the Association is dependent on the voluntary services of its members, the donation of volunteer time, in-kind products, or services are not valued in the financial statements.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires the Board to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Significant estimates include payable accruals.

Lakewood Soccer Association Incorporated

Notes to the Financial Statements

July 31, 2023

(Prepared without audit – see Review Engagement Report)

2. Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, and cash on deposit with banking institutions less cheques written but not cleared. These are held for the purposes of meeting short term cash commitments.

Term deposits

Term deposits of having a maturity of less than twelve months after the balance sheet date are categorized as term deposits under current assets. Term deposits with a maturity date greater than one year after the balance sheet date are categorized under non-current assets. These are held for the purposes of generating interest income while protecting the principal balances.

Capital Assets

Property acquired are valued at acquisition cost. As the Association's annual revenue is less than \$500,000, the Association elected not to capitalize the costs of capital assets. Hence, items such as furniture and equipment are immediately expensed in the year of acquisition.

Should the Association's annual revenue reach the \$500,000 threshold in the future, the Association will have to follow CPA Canada ASNPO Handbook Section 4433 (Tangible Capital Assets held by Not-For-Profit Organizations) and will not have the ability to make this election in the future.

Amortization

Although the Association would normally record amortization of capital assets in the year of acquisition, the Association has made an election under the CPA Canada ASNPO Handbook Section 4433 to not amortize any assets previously capitalized given the Association's annual revenue is less than the \$500,000 threshold.

Income Taxes

As the Association is categorized as a non-profit organization due to its nature of operations, it is exempted from income taxes according to the Income Tax Act of Canada. The Association has not registered a business number with Canada Revenue Agency nor has filed any non-profit tax return since inception.

Lakewood Soccer Association Incorporated

Notes to the Financial Statements

July 31, 2023

(Prepared without audit – see Review Engagement Report)

2. Significant Accounting Policies (Continued)

Financial instruments

Measurement of financial instruments

The Association initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Association 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 of these financial instruments are recognized in net income.

Financial assets measured at amortized cost on a straight-line basis include cash and cash equivalents, term deposits, and accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis 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 net income. 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 net income.

3. Cash and Cash Equivalents

	<u>2023</u>	<u>2022</u>
Cash on deposit	\$ 183,422	\$ 113,460
Less pending transfer to the Restricted Cash account (Note 4)	-	(18,621)
Less cheques issued and outstanding	(2,250)	(4,035)
	<u>\$ 181,172</u>	<u>\$ 90,804</u>

The Association's operating bank accounts are held with TCU Financial Group.

4. Restricted Cash

The Association had received sponsorship funds which was to offset expenses to one specific team. These monies are accounted for separately, with any unspent amounts due back to the sponsoring agency.

Lakewood Soccer Association Incorporated

Notes to the Financial Statements

July 31, 2023

(Prepared without audit – see Review Engagement Report)

5. Risk Management

Risks and concentrations

The Association does not believe it is subject to any significant concentration of currency risk. Cash and cash equivalents as well as term deposits are in place with major financial institutions. The following analysis provides a measure of the Association's risk exposure as at July 31, 2023.

Liquidity risk

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risks relate to its accounts receivable from registration fees. It is a significant risk as there is little recourse for non-payment.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its fixed interest rate financial instruments, which includes term deposits. Fixed-interest instruments subject the Association to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. Floating rate instruments subject the Association to related cash flow risk.