

Manitoba Major Soccer League Inc.
Financial Statements
September 30, 2023

Contents

	<u>Page</u>
Independent Auditors' Report	1 - 2
Statements of Operations and Changes in Net Assets	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 8

Independent Auditors' Report

To the Members of
Manitoba Major Soccer League Inc.

Opinion

We have audited the financial statements of Manitoba Major Soccer League Inc. (the "Organization"), which comprise the statement of financial position as at September 30, 2023, the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at September 30, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the Organization'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 the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our 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. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

Independent Auditors' Report - continued

We 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 our 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 the Organization'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 the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization 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.

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

Booke & Partners

Winnipeg, Canada
March 8, 2024

Chartered Professional Accountants

Manitoba Major Soccer League Inc.
Statements of Operations and Changes in Net Assets

Year ended September 30	2023	2022
Revenues		
Outdoor fees	\$ 255,303	\$ 246,059
Indoor fees	199,485	159,172
Administration	8,528	1,098
Tournament income	1,643	8,571
Disciplinary fines	1,625	1,595
	<u>466,584</u>	<u>416,495</u>
Expenditures		
Facility rentals	250,283	222,037
General league and office (Note 2a)	58,133	45,108
Match officials	96,263	98,764
Miscellaneous (recovery)	5,111	(502)
Playoffs	2,450	1,900
Salaries and benefits (Note 2a)	86,400	75,733
Trophies and prize money	8,500	9,850
	<u>507,140</u>	<u>452,890</u>
Deficiency of revenues over expenditures before other income	(40,556)	(36,395)
Canada Emergency Wage Subsidy (Note 2a)	<u>-</u>	<u>354</u>
Deficiency of revenues over expenditures	<u>\$ (40,556)</u>	<u>\$ (36,041)</u>
Balance, beginning of year	\$ 26,840	\$ 62,881
Deficiency of revenues over expenditures	<u>(40,556)</u>	<u>(36,041)</u>
Balance, end of year	<u>\$ (13,716)</u>	<u>\$ 26,840</u>

See accompanying notes to the financial statements.

Manitoba Major Soccer League Inc.
Statement of Financial Position

September 30

2023

2022
(Note 6)

Assets

Current

Cash

\$ 183,757 \$ 157,095

Receivables (Note 4)

32,027 50,358

215,784 207,453

Restricted cash (Note 3)

19,306 22,280

\$ 235,090 **\$ 229,733**

Liabilities

Current

Payables and accruals

\$ 117,900 \$ 95,409

Deferred revenue

52,900 31,593

Current portion of loan payable (Note 5)

40,000 -

Government remittances payable

18,700 13,611

229,500 140,613

Loan payable (Note 5)

- 40,000

Performance bonds (Note 3)

19,306 22,280

248,806 202,893

Net Assets

(13,716) 26,840

\$ 235,090 **\$ 229,733**

Approved by the Board

_____ Member

_____ Member

See accompanying notes to the financial statements.

Manitoba Major Soccer League Inc.
Statement of Cash Flows

Year ended September 30

2023**2022**

Operating

Cash receipts from members

\$ 484,915

\$ 336,937

Cash paid to suppliers and employees

(461,227)(351,514)**Net increase (decrease) in cash****23,688****(14,577)****Cash**

Beginning of year

179,375193,952

End of year

\$ 203,063\$ 179,375

Cash consists of:

Cash

\$ 183,757

\$ 157,095

Restricted cash

19,30622,280\$ 203,063\$ 179,375

See accompanying notes to the financial statements.

Manitoba Major Soccer League Inc.
Notes to the Financial Statements
September 30, 2023

1. Nature of operations

Manitoba Major Soccer League Inc. (the "Organization") is a not-for-profit organization whose objectives are to promote and foster competitive soccer throughout the City of Winnipeg and surrounding areas. As a not-for-profit organization, it is exempt from income tax.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Government assistance

Government assistance, by way of the Manitoba Green Team Program, is recorded as an expense recovery when received. During the year, the Organization received grants totaling \$10,581 (2022 - \$Nil).

Government assistance, by way of the Canada Summer Jobs grant, is recorded as an expense recovery when received. During the year, the Organization received grants totaling \$8,632 (2022 - \$11,475).

Government assistance, by way of the Canada Emergency Wage Subsidy ("CEWS"), is recorded as income when received or receivable if the amount to be received can be reasonably measured and collection is reasonably assured. During the year, the Organization was entitled to CEWS payments totaling \$Nil (2022 - \$354).

Government assistance, by way of the Canada Emergency Rent Subsidy ("CERS"), is recorded as an expense recovery when received or receivable if the amount to be received can be reasonably measured and collection is reasonably assured. During the year, the Organization was entitled to CERS payments totaling \$Nil (2022 - \$34).

(b) Equipment

Equipment is fully expensed in the year of acquisition in accordance with section 4433 of the CPA Canada Handbook. Equipment includes computer equipment. During the year, acquisitions of \$1,632 (2022 - \$4,063) were expensed in the Statement of Operations.

(c) 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.

Revenue generated from participating teams is recognized in the period in which the related services are provided. When receipts from teams have been collected for services not yet provided, the receipts are deferred as a liability.

2. Summary of significant accounting policies - continued

(d) Accounting estimates

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

(e) Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. Financial instruments are initially recorded at fair value with subsequent reporting at amortized cost.

Unless otherwise stated in these financial statements, the fair value of the Organization's financial assets and liabilities approximate their carrying value. It is management's opinion that the Organization is not exposed to significant credit, currency, interest, market or other price risk arising from these financial instruments.

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 Organization is exposed to less than significant credit risk.

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign currency rates. The Organization is not exposed to currency risk as all transactions occur in Canadian currency.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Organization is not exposed to interest rate risk as the interest rates are fixed on all external debt.

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to liquidity risk as there is negative working capital.

Market risk and other price risk are the risks that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. The Organization is not exposed to market risk as it does not hold any significant financial instruments and is not exposed to currency or interest rate risk.

Management believes these risks are manageable and do not represent a threat to the Organization's ability to continue as a going concern.

Manitoba Major Soccer League Inc.
Notes to the Financial Statements
September 30, 2023

3. Performance bonds

The league receives a deposit from teams when they join the league. The deposit is refundable when the team exits the league and does not have fines owing to the league. If fines are owing to the league, these fines are deducted from the amounts refunded.

4. Receivables

	<u>2023</u>	<u>2022</u>
Accounts receivable	\$ 40,102	\$ 53,162
Less: Allowance for doubtful accounts	<u>8,075</u>	<u>2,804</u>
	<u><u>\$ 32,027</u></u>	<u><u>\$ 50,358</u></u>

5. Loan payable

The Organization has received the Canada Emergency Business Account ("CEBA") loan in the amount of \$60,000 (2022 - \$60,000). The loan is interest free until January 18, 2024, after which time interest will accrue at a rate of 5% per annum. If \$40,000 of the loan has been repaid by January 18, 2024, the remaining \$20,000 of the loan shall be forgiven. The balance of the loan and accrued interest is due on December 31, 2025.

Subsequent to year end, the Organization repaid the balance of the loan.

6. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year deficiency of revenue over expenditures.
