

Financial Statements of

**SASKATCHEWAN SOCCER
ASSOCIATION INC.**

Year ended December 31, 2018



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INDEPENDENT AUDITORS' REPORT

To the members of Saskatchewan Soccer Association Inc.

Opinion

We have audited the financial statements of Saskatchewan Soccer Association Inc., (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of revenue over expenditures for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, comprising a summary of significant accounting policies (hereafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018 and its results of 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 auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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.

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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Regina, Canada
February 27, 2019

Saskatchewan Soccer Association Inc.

Statement of Financial Position

As at December 31, 2018, with comparative information for 2017

	2018	2017
Assets		
Current		
Cash	\$ 581,072	\$ 515,299
Accounts receivable	29,474	41,029
Investments (note 4)	1,225,000	1,200,000
Prepaid expenses	46,420	44,095
	1,881,966	1,800,423
Invested in Sport Legacy Fund (note 5)	1,284	1,221
Capital assets (note 6)	16,739	23,829
	\$ 1,899,989	\$ 1,825,473
Liabilities and Net Assets		
Current		
Accounts payable and accruals (note 7)	\$ 135,657	\$ 145,025
Deferred revenue (note 8)	450,376	426,080
	586,033	571,105
Deferred Sport Legacy Fund (note 5)	1,284	1,221
Net assets		
Invested in capital assets	16,739	23,829
Internally restricted (note 9)	1,295,933	1,229,318
	1,312,672	1,253,147
Commitments (note 11)	\$ 1,899,989	\$ 1,825,473

On Behalf of the Board

Director:


President

Director:


Chair A&F Committee

The accompanying notes are an integral part of these financial statements

Saskatchewan Soccer Association Inc.

Statement of Revenue Over Expenditures

For the year ended December 31, 2018 with comparative information for 2017

	2018	2017
Revenue		
Sask Lotteries Trust Funding (Schedule 1)	\$ 720,000	\$ 743,244
Self Help (Schedule 2)	1,531,981	1,618,108
	2,251,981	2,361,352
Expenditures		
Administration (Schedule 3)	301,666	365,710
Capacity/Interaction (Schedule 4)	371,657	359,993
Participation (Schedule 5)	583,953	599,710
Excellence (Schedule 6)	571,980	589,677
Categorical Grants (Schedule 7)	363,200	413,093
	2,192,456	2,328,183
Excess of revenue over expenditures	\$ 59,525	\$ 33,169

The accompanying notes are an integral part of these financial statements

Saskatchewan Soccer Association Inc.

Statement of Changes in Net Assets

For the year ended December 31, 2018 with comparative information for 2017

	Unrestricted	Invested in capital assets	Internally restricted	2018	2017
Balance, beginning of year	\$ -	\$ 23,829	\$ 1,229,318	\$ 1,253,147	\$ 1,219,978
Excess of revenue over expenditures	71,760	(12,235)	-	59,525	33,169
Capital asset additions	-	5,145	(5,145)	-	-
Appropriations to/from unrestricted assets	(71,760)	-	71,760	-	-
Balance, end of year	\$ -	\$ 16,739	\$ 1,295,933	\$ 1,312,672	\$ 1,253,147

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Saskatchewan Soccer Association Inc.

Statement of Cash Flows

For the year ended December 31, 2018 with comparative information for 2017

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Excess of revenue over expenditures	\$ 59,525	\$ 33,169
Item not affecting cash		
Amortization of capital assets	12,235	13,589
Changes in non-cash working capital accounts		
Accounts receivable	11,555	21,632
Prepaid expenses	(2,325)	(970)
Accounts payable and accruals	(9,368)	(7,668)
Deferred revenue	24,359	12,234
	95,981	71,986
Investing activities		
Additions to capital assets	(5,145)	(9,555)
Purchase of investments	(25,000)	(287,126)
Additions to Sport Legacy Fund	(63)	(59)
	(30,208)	(296,740)
Increase (decrease) in cash	65,773	(224,754)
Cash, beginning of year	515,299	740,053
Cash, end of year	\$ 581,072	\$ 515,299

The accompanying notes are an integral part of these financial statements

Saskatchewan Soccer Association Inc.

Notes to the Financial Statements

Year ended December 31, 2018

1. Operations

Saskatchewan Soccer Association Inc. (the "Association") is incorporated under the *Non-Profit Corporations Act* of Saskatchewan. Its objectives are to promote, foster, develop and govern the game of soccer in Saskatchewan.

2. Basis of presentation

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-profit Organizations (Part III of the CPA Handbook - Accounting).

3. Significant accounting policies

Financial assets and liabilities

Financial instruments are recorded at fair value on initial recognition. Subsequently, they are recoded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

Transaction cost incurred on the acquisitions of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset of the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Investments

Investments are carried at fair value, with changes to fair value recorded as investment income or loss.

Capital assets

Capital assets are initially recorded at cost. Amortization is provided using the straight line method at rates intended to amortize the cost of assets over their estimated useful lives. In the year of acquisition, amortization is taken at one-half year of usage.

	Useful Life
Furniture and fixtures	5 Years
Computer and equipment	3 Years

Income taxes

The Corporation is exempt from income taxes under section 149(1)(l) of the *Income Tax Act*.

Saskatchewan Soccer Association Inc.

Notes to the Financial Statements

Year ended December 31, 2018

3. Significant accounting policies (continued)

Revenue recognition

The Association 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 and fees are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Internally restricted net assets

The Board of Directors have internally restricted the following net assets to be held for:

i) Revenue Stabilization

This reserve was established to provide for financial stability of operations by offsetting lottery funding decreases or an unanticipated deficit.

ii) Strategic Opportunities

This reserve was created to allow the flexibility to move forward with initiatives that enhance the Association's ability to meet the priorities of the Strategic Plan.

iii) Athlete Assistance

This reserve was created to assist eligible applicants in their pursuit of excellence through participation in the Saskatchewan Soccer Association's High Performance Programs.

iv) Equipment

This reserve was created to provide for the future equipment needs of the Association.

v) Canada Games

This reserve is to be used for the development of male and female teams, referees and coaches in preparation for the Canada Summer Games held every four years.

vi) Western Canada Games

This reserve is to be used for the development of the Western Canada Games teams, referees and coaches in preparation for the Western Canada Games.

vii) Saskatchewan Summer Games

This reserve is to be used for the development and the promotion of male and female teams, referees and coaches in preparation for the Saskatchewan Summer Games that are held every four years.

Use of estimates

The preparation of financial statements 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 expenditures during the reporting period. Actual results could differ from those estimates.

Saskatchewan Soccer Association Inc.

Notes to the Financial Statements

Year ended December 31, 2018

4. Investments

The investments are comprised of term deposits that have an effective interest rate of 1.25% and 2.40% (2017 - 0.90% and 1.10%) and maturity dates of January 19, 2019 and December 10, 2019 (2017 - January 19, 2018 and July 20, 2018), respectively.

5. Sport Legacy Fund

The funds on deposit and the offsetting deferred revenue from the Sport Legacy Fund consists of donations based on various programs and top-up contributions made by Sask Sport Inc. To qualify for the additional top-up contributions by Sask Sport Inc., the Association is required to leave the original amount of donation in the Legacy Fund for a minimum 5 years.

6. Capital assets

	2018		2017	
	Cost	Accumulated amortization	Net Book Value	Net Book Value
Computer and equipment	\$ 62,512	\$ (55,043)	\$ 7,469	\$ 12,149
Furniture and fixtures	55,655	(46,385)	\$ 9,270	11,680
	\$ 118,167	\$ (101,428)	\$ 16,739	\$ 23,829

7. Accounts payable and accruals

Included in accounts payable and accruals are government remittances payable of \$nil (2017 - \$nil) which include amounts payable for PST and payroll related taxes.

8. Deferred revenue

Deferred income represents unspent resources externally restricted for specific purposes. The amounts deferred at year end are as follows:

	2018		2017	
Annual Funding	\$	195,350	\$	189,650
MAP Grant		227,400		220,700
Program Fees		20,626		15,730
Sponsorship		7,000		-
	\$	450,376	\$	426,080

Saskatchewan Soccer Association Inc.

Notes to the Financial Statements

Year ended December 31, 2018

9. Internally restricted net assets

	Revenue Stabilization	Strategic Opportunities	Athlete Assistance	Equipment	Canada Games	Western Canada Games	Sask Summer Games	2018	2017
Balance, beginning of year	\$ 800,000	\$ 299,318	\$ 50,000	\$ 35,000	\$ 25,000	\$ 10,000	\$ 10,000	\$ 1,229,318	\$ 1,192,115
Capital asset additions	(5,145)	-	-	-	-	-	-	(5,145)	(9,555)
Appropriations to/from unrestricted net assets	5,145	66,615	-	-	-	-	-	71,760	46,758
Balance, end of year	\$ 800,000	\$ 365,933	\$ 50,000	\$ 35,000	\$ 25,000	\$ 10,000	\$ 10,000	\$ 1,295,933	\$ 1,229,318

10. Economic dependence

The Association currently receives significant revenue in grants from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. As a result, the Association is dependant upon the continuance of these grants to maintain operations at the current level.

11. Commitments

The Association is committed under contracts for cell phones over the next two years as follows:

2019	\$	3,138
2020		1,727

12. Risk management

Credit risk

The Association's principal financial assets are cash, accounts receivable and investments. The Association is exposed to credit risk with respect to these financial assets. The Association assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The credit risk on cash and investments is limited because the counterparties are chartered banks with high credit ratings assigned by national credit-rating agencies. Credit risk is also managed by investing in investments of a high credit quality. There has been no change to the risk exposure from 2017.

Liquidity risk

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposure from 2017.

13. Comparative information

Certain comparative information has been reclassified to conform with current year's presentation.

Saskatchewan Soccer Association Inc.

Schedule 1 - Saskatchewan Lotteries Trust Funding

For the year ended December 31, 2018 with comparative information for 2017

	2018	2017
Aboriginal Sport Enhancement Program	\$ -	\$ 59,744
Annual Funding	379,300	354,000
Coach Capacity	45,000	43,700
Hosting	7,500	5,000
Membership Assistance	220,700	213,300
University Athletic Assistance	40,500	40,500
Student Athlete Award	27,000	27,000
	\$ 720,000	\$ 743,244

Schedule 2 - Self Help Revenue

For the year ended December 31, 2018 with comparative information for 2017

	2018	2017
Internal		
Membership fees		
Affiliation	\$ 5,400	\$ 5,425
Coaches	29,340	30,968
Indoor	365,142	368,906
Outdoor	526,912	537,644
Referees	41,555	34,295
Capacity Building		
Administrative Fees and Recoveries	-	8
Forfeited Bonds & Deposits	(550)	8,692
Interest	15,767	12,527
Support Programs	17,092	17,311
Participation		
Athletes	3,218	7,619
Coaches	42,695	65,144
Competition	64,800	98,175
Officials	48,145	38,045
Excellence		
Athletes	158,222	231,944
Coaches	37,350	13,750
Competition	113,468	88,637
External		
Grants		
Government Employment Grant	3,338	-
Participating Non-Profit Community Group Program (PNPCG)	10,720	10,720
Canada Games Apprentice Coach Grant	-	2,602
Sports Medicine & Science Support	9,530	9,500
Canadian Soccer Association - Regional Excel Centre (REX)	10,000	10,000
Canadian Soccer Association - B License Part 1	2,700	-
Sask Sport Coach Visitation Grant	750	-
Sask Sport Officials Visitation Grant	750	-
Sponsorship		
Sponsorship	25,637	26,196
	\$ 1,531,981	\$ 1,618,108

The accompanying notes are an integral part of these financial statements

Saskatchewan Soccer Association Inc.

Schedule 3 - Administration Expenses

For the year ended December 31, 2018 with comparative information for 2017

	2018	2017
Amortization	\$ 12,235	\$ 13,589
Audit	14,597	14,374
Bad debt	653	-
Bank & Finance charges	6,662	6,841
Bookkeeping	3,534	3,867
Insurance	42,867	41,660
Legal	6,135	35,240
Office Operations	72,495	66,707
Recruitment	454	11,757
Salaries & Benefits	142,034	171,675
	\$ 301,666	\$ 365,710

Schedule 4 - Capacity/Interaction Expenses

For the year ended December 31, 2018 with comparative information for 2017

	2018	2017
Awards & Recognition	\$ 16,474	\$ 17,572
Meetings	32,367	29,369
Planning	44,637	48,466
Positioning & Development		
Communications	39,240	32,251
Funds Development	1,627	4,083
Marketing & Promotions	19,329	26,117
Soccer Day in Sask	8,117	14,407
Salaries & Benefits	170,578	158,110
Volunteer & Leadership Development	39,288	29,618
	\$ 371,657	\$ 359,993

Schedule 5 - Participation Expenses

For the year ended December 31, 2018 with comparative information for 2017

	2018	2017
Athlete Development		
Introductory Programs	\$ 229,533	\$ 230,810
Underrepresented Populations	6,174	23,978
Coaching Development	29,334	41,272
Competition		
Indoor	57,555	57,715
Outdoor	30,790	32,595
Sask Summer Games	580	-
Officials Development	18,399	14,177
Salaries & Benefits	211,588	199,163
	\$ 583,953	\$ 599,710

The accompanying notes are an integral part of these financial statements

Saskatchewan Soccer Association Inc.

Schedule 6 - Excellence Expenses

For the year ended December 31, 2018 with comparative information for 2017

	2018	2017
Athlete Development		
Athlete Assistance	\$ 30,777	\$ 30,179
High Performance Development Centre	124,965	148,129
Centre of Excellence	7,199	15,592
Competition		
High Performance League	33,241	51,034
Multi-sport	-	28,422
Nationals	59,646	28,779
Premier Soccer League	74,462	29,166
Coaching Development	28,302	7,778
Officials Development	47,119	47,298
Salaries & Benefits	137,326	174,247
Sport Medicine & Science	28,943	29,053
	\$ 571,980	\$ 589,677

Schedule 7 - Categorical Grant Expenses

For the year ended December 31, 2018 with comparative information for 2017

	2018	2017
Categorical Grants		
Aboriginal Sport Enhancement Program	\$ -	\$ 59,744
Canada Games Apprentice Coach Grant	-	1,999
High Performance Coach Capacity	67,500	65,550
Hosting	7,500	5,000
Membership Assistance Payments (Schedule 8)	220,700	213,300
Student Athlete Award	27,000	27,000
University Athletic Assistance	40,500	40,500
	\$ 363,200	\$ 413,093

The accompanying notes are an integral part of these financial statements

Saskatchewan Soccer Association Inc.

Schedule 8 - Membership Assistance Grant Payments

For the year ended December 31, 2018 with comparative information for 2017

	2018	2017
Astra Academy	\$ -	\$ 3,895
Battleford & District Senior Soccer	-	599
Battleford Youth Soccer Inc.	6,838	3,784
Broadview Soccer	-	404
Canora Soccer Club	3,804	704
Choiceland Soccer Club	633	1,894
Esterhazy Youth Soccer	-	1,000
Estevan Youth & Mini Soccer	4,034	1,290
Ginga Futebol Academy	-	2,595
Humboldt & District Soccer Association	4,146	-
Ile a la Crosse Friendship Centre	949	5,297
JJ Soccer Limited	5,601	1,386
Kindersley Soccer Inc.	5,408	2,423
Kipling Soccer Club	-	2,783
Lac La Ronge Tri-Community Soccer Association	900	-
Lanigan & District Soccer	2,618	1,732
Lloydminster & District Senior Soccer	-	1,915
Melfort Youth Soccer Association	3,401	1,431
Melville Soccer Association	2,369	982
Meridian Youth Soccer Association	5,349	4,836
Montmartre & District Soccer	-	1,000
Moose Jaw Soccer Association	3,262	7,022
Moose Mountain District	-	975
Moosomin Soccer Association	1,000	-
Nipawin Indoor Soccer League	1,000	-
Oxbow Youth Soccer	2,139	-
Poundmaker Youth Soccer	644	1,000
Prince Albert Youth Soccer Association	18,805	10,509
Qu'Appelle Valley Soccer Association	4,669	7,342
Queen City United Soccer Club	11,395	13,653
Redvers Soccer Club	-	875
Regina Soccer Association	29,037	28,745
Regina Soccer Referees Association	2,962	2,604
Regina United Futsal Federation	-	3,634
Rosetown Soccer	900	1,000
Saskatoon Adult Soccer	10,500	17,437
Saskatoon District Soccer Referee Association	2,372	900
Saskatoon Futsal Association	4,939	5,203
Saskatoon Youth Soccer Association	43,090	36,273
Springside Minor Sports	-	217
Stoughton Soccer Club	4,000	1,810
Swift Current Soccer Association	6,533	6,113
TDsoccer	1,434	1,000
Town of Eston	1,516	1,000
United Soccer Organization	3,717	-
Valley Soccer Association	15,180	18,043
Vibank Soccer	2,292	1,000
Wawota Minor Soccer	-	3,250
Weyburn Soccer Association	3,264	3,745
	\$ 220,700	\$ 213,300

The accompanying notes are an integral part of these financial statements