
SASKATOON ADULT SOCCER INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021



INDEPENDENT AUDITORS' REPORT

To the Members of
Saskatoon Adult Soccer Inc.

Opinion

We have audited the accompanying financial statements of Saskatoon Adult Soccer Inc. which comprise the statement of financial position as at September 30, 2021 and the statements of revenue and expenditures, changes in net assets, cash flows and schedule of administration expenditures for the year then ended along with the summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatoon Adult Soccer Inc. as at September 30, 2021 and its financial performance 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 Saskatoon Adult Soccer Inc. 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 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.

In preparing the financial statements, management is responsible for assessing Saskatoon Adult Soccer Inc.'s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate Saskatoon Adult Soccer Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Saskatoon Adult Soccer Inc.'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 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 Saskatoon Adult Soccer Inc.'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 Saskatoon Adult Soccer Inc.'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 Saskatoon Adult Soccer Inc. 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.

Heagy LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Saskatoon, SK
December 13, 2021


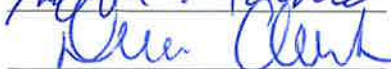
SASKATOON ADULT SOCCER INC.

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30

| | 2021 | 2020 |
|---|-----------|---------|
| | \$ | \$ |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 1,151,534 | 811,017 |
| Accounts receivable (note 3) | 14,007 | 45,585 |
| Goods and services tax receivable | 5,595 | - |
| Prepaid expenses and advances to teams | 3,836 | 5,401 |
| | 1,174,972 | 862,003 |
| LONG-TERM INVESTMENTS (note 4) | 77,454 | 67,174 |
| TANGIBLE CAPITAL ASSETS (note 5) | 72,183 | 68,836 |
| | 1,324,609 | 998,013 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | 14,783 | 19,623 |
| Goods and services tax payable | - | 12,578 |
| Deferred income | 246,265 | 113,955 |
| | 261,048 | 146,156 |
| LONG-TERM DEBT (note 7) | 60,000 | - |
| DEFERRED CAPITAL CONTRIBUTIONS (note 6) | 22,213 | 17,400 |
| | 343,261 | 163,556 |
| NET ASSETS | | |
| NET ASSETS INVESTED IN TANGIBLE CAPITAL ASSETS | 49,970 | 51,436 |
| INTERNALLY RESTRICTED NET ASSETS (note 8) | 663,621 | 550,363 |
| UNRESTRICTED NET ASSETS | 267,757 | 232,658 |
| | 981,348 | 834,457 |
| | 1,324,609 | 998,013 |

SIGNED ON BEHALF OF THE BOARD

 Director
 Director

SASKATOON ADULT SOCCER INC.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED
SEPTEMBER 30

| | Invested in tangible capital assets \$ | Internally Restricted \$ | Unrestricted \$ | 2021 \$ | 2020 \$ |
|--|--|--------------------------------|--------------------|------------|------------|
| BALANCE - BEGINNING OF YEAR | 51,436 | 550,363 | 232,658 | 834,457 | 847,943 |
| Excess (deficiency) of revenue over expenditures for the year | (8,870) | - | 155,761 | 146,891 | (13,486) |
| Purchase of tangible capital assets | 7,404 | - | (7,404) | - | - |
| Transfer to internally restricted net assets (note 8) | - | 113,258 | (113,258) | - | - |
| | (1,466) | 113,258 | 35,099 | 146,891 | (13,486) |
| BALANCE - END OF YEAR | 49,970 | 663,621 | 267,757 | 981,348 | 834,457 |

SASKATOON ADULT SOCCER INC.

STATEMENT OF REVENUE AND EXPENDITURES FOR THE YEAR ENDED SEPTEMBER 30

| | 2021 | 2020 |
|---|----------|----------|
| | \$ | \$ |
| REVENUE | | |
| Affiliation | 194,387 | 526,021 |
| Referees | 75,213 | 164,538 |
| Registration | 71,020 | 108,804 |
| Capital improvement levy | 13,258 | 17,322 |
| On-line fees | 6,659 | 9,614 |
| Interest | 1,307 | 379 |
| Miscellaneous | 1,246 | 343 |
| Fines | 925 | 861 |
| ID cards | 80 | 1,830 |
| Hosting | - | 23,976 |
| | 364,095 | 853,688 |
| EXPENDITURES | | |
| Salaries and benefits | 157,578 | 153,898 |
| Registration | 70,985 | 107,736 |
| Referees fees | 58,258 | 150,230 |
| Indoor | 54,982 | 402,543 |
| Administration (schedule) | 39,603 | 43,173 |
| Outdoor | 18,229 | 11,624 |
| Interest and bank charges | 9,115 | 12,391 |
| Telephone | 1,979 | 2,096 |
| Miscellaneous | 842 | - |
| Bad debts | 190 | 9,505 |
| Affiliation | 75 | 75 |
| Team contact appreciation | - | 388 |
| Hosting | - | 23,874 |
| I.D. cards and camera maintenance | - | 632 |
| | 411,836 | 918,165 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR BEFORE CAPITAL AND OTHER ITEMS | | |
| | (47,741) | (64,477) |
| CAPITAL ITEMS | | |
| Amortization of deferred capital contributions (note 6) | 2,695 | 2,320 |
| Depreciation | (11,565) | (10,064) |
| | (8,870) | (7,744) |
| OTHER ITEMS | | |
| Canada Emergency Wage Subsidy | 80,353 | 45,050 |
| Saskatchewan Soccer Association Stimulus | 52,212 | - |
| Saskatchewan Small Business Emergency Program | 36,221 | 10,000 |
| Membership Assistance Program (MAP) Grants | 18,046 | - |
| Unrealized gain on investments | 8,974 | 3,685 |
| Canada Emergency Rent Subsidy | 7,696 | - |
| | 203,502 | 58,735 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR | | |
| | 146,891 | (13,486) |

SASKATOON ADULT SOCCER INC.

STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED
SEPTEMBER 30**

| | 2021 | 2020 |
|---|-----------|-----------|
| | \$ | \$ |
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenue over expenditures for the year | 146,891 | (13,486) |
| Items not affecting cash - | | |
| Depreciation | 11,565 | 10,064 |
| Unrealized gain on investments | (8,974) | (3,685) |
| Amortization of deferred capital contributions | (2,695) | (2,320) |
| | 146,787 | (9,427) |
| Changes in non-cash working capital items - | | |
| Accounts receivable | 31,578 | (29,747) |
| Goods and services tax receivable | (5,595) | 6,127 |
| Prepaid expenses and advances to teams | 1,565 | 4,722 |
| Accounts payable and accrued liabilities | (4,840) | 5,541 |
| Goods and services tax payable | (12,578) | 12,578 |
| Deferred income | 132,310 | (127,510) |
| | 289,227 | (137,716) |
| FINANCING ACTIVITIES | | |
| Proceeds of long-term debt | 60,000 | - |
| Additions to deferred capital contributions | 7,508 | - |
| | 67,508 | - |
| INVESTING ACTIVITIES | | |
| Purchase of tangible capital assets | (14,912) | - |
| Reinvestment of income earned on long-term investments | (1,306) | (379) |
| | (16,218) | (379) |
| INCREASE (DECREASE) IN CASH POSITION | 340,517 | (138,095) |
| CASH POSITION - BEGINNING OF YEAR | 811,017 | 949,112 |
| CASH POSITION - END OF YEAR | 1,151,534 | 811,017 |

SASKATOON ADULT SOCCER INC.

SCHEDULE OF ADMINISTRATION EXPENDITURES

FOR THE YEAR ENDED
SEPTEMBER 30

| | 2021 | 2020 |
|---------------------------------|---------------|---------------|
| | \$ | \$ |
| Professional fees | 12,614 | 14,098 |
| Office rental | 10,680 | 7,268 |
| Professional development | 8,583 | - |
| Supplies | 2,370 | 225 |
| Computer repair and maintenance | 1,293 | 2,246 |
| Insurance | 1,259 | 1,072 |
| Book-keeping | 1,087 | 13,053 |
| Board and staff expenses | 761 | 1,703 |
| Advertising and promotion | 748 | 1,094 |
| Office supplies | 191 | 1,137 |
| Covid-19 supplies | 17 | 1,277 |
| | <u>39,603</u> | <u>43,173</u> |

SASKATOON ADULT SOCCER INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED
SEPTEMBER 30, 2021

1. THE ORGANIZATION

Saskatoon Adult Soccer 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 for adult players in Saskatoon. The Association administers outdoor and indoor programming for teams registered in men's, women's, co-ed, masters, over 50 and legends leagues. As a non-profit corporation, Saskatoon Adult Soccer Inc. is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Financial Instruments

The organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The organization subsequently measures all financial assets and financial liabilities at 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 are recognized in excess (deficiency) of revenue over expenditures for the year.

Financial assets measured at amortized cost include cash, accounts receivable and goods and services tax receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and goods and services tax payable.

The organization's financial assets measured at fair value include marketable securities.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in excess (deficiency) of revenue over expenditures for the year. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting an 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 excess (deficiency) of revenue over expenditures for the year.

The organization recognizes its transaction costs in excess (deficiency) of revenue over expenditures in the year 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.

SASKATOON ADULT SOCCER INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED
SEPTEMBER 30, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-Term Investments

Long-term investments are valued at fair market value as it is considered to be the most relevant measure for financial instruments. Fair value is determined by published price quotations in an active market.

Tangible Capital Assets and Depreciation

Tangible capital assets are recorded at cost and amortized over their estimated useful lives. This requires estimation of the useful life of the asset and its salvage and residual value. When management considers that a tangible capital asset no longer contributes to the organization's ability to provide services, its carrying amount is written down to its residual value. As is true of all accounting estimates, it is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates. Should an adjustment become necessary, it would be reported in earnings in the year in which it became known.

Depreciation of tangible capital assets is calculated using the straight-line method at the following annual rates:

| | |
|-------------------------|-----|
| Furniture and equipment | 10% |
| Computer equipment | 20% |
| Tents | 20% |

Depreciation on assets acquired during the year is recorded at one-half the normal annual rate.

Revenue Recognition

Saskatoon Adult Soccer Inc. 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. Affiliation fees, registration fees, ID cards and related revenue are recognized when the amount earned and the amount to be received can be reasonably estimated and collection is reasonably assured.

Government assistance is recognized as revenue in the year that the terms of the assistance have been met if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donated Materials and Services

The organization benefits from the donation of materials and services from its members. These financial statements do not reflect the value of donations in kind received in the year since a fair market value cannot be reasonably estimated.

SASKATOON ADULT SOCCER INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED
SEPTEMBER 30, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to estimate and assumption include valuation of accounts receivable and the estimated useful lives of tangible capital assets. Actual results could differ from estimates.

3. ACCOUNTS RECEIVABLE

| | 2021 | 2020 |
|---------------------------------------|---------|---------|
| | \$ | \$ |
| Canada Emergency Wage Subsidy | 8,727 | 45,050 |
| Trade receivables | 3,658 | 1,835 |
| Grants receivable | 3,112 | - |
| Less: allowance for doubtful accounts | (1,490) | (1,300) |
| | 14,007 | 45,585 |

4. LONG-TERM INVESTMENTS

| | 2021 | 2020 |
|---|--------|--------|
| | \$ | \$ |
| Signature Global Income & Growth Fund (DSC) | 37,314 | 27,034 |
| FID Global Asset Allocation Fund (DSC) | 21,662 | 21,662 |
| AGF World Balanced Fund (DSC) | 18,478 | 18,478 |
| | 77,454 | 67,174 |

5. TANGIBLE CAPITAL ASSETS

| | Cost | Accumulated Depreciation | Net Book Value | |
|-------------------------|---------|-----------------------------|----------------|--------|
| | | | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Furniture and equipment | 146,658 | 78,060 | 68,598 | 62,860 |
| Computer equipment | 48,098 | 48,098 | - | - |
| Tents | 11,954 | 8,369 | 3,585 | 5,976 |
| | 206,710 | 134,527 | 72,183 | 68,836 |

SASKATOON ADULT SOCCER INC.

NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
SEPTEMBER 30, 2021**

6. DEFERRED CAPITAL CONTRIBUTIONS

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$ | \$ |
| Balance - beginning of the year | 17,400 | 19,720 |
| Grant received for capital purchase | 7,508 | - |
| Amortization of deferred capital contributions | (2,695) | (2,320) |
| Balance - end of year | 22,213 | 17,400 |

7. LONG-TERM DEBT

| | 2021 | 2020 |
|---|--------|------|
| | \$ | \$ |
| Non-interest bearing Canada Emergency Business Account (CEBA) loan, with \$20,000 forgivable if paid by December 31, 2022 | 60,000 | - |

8. INTERNALLY RESTRICTED NET ASSETS

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$ | \$ |
| Balance - beginning of year | 550,363 | 533,041 |
| Transferred from unrestricted net assets | 100,000 | - |
| Capital projects player assessment | 13,258 | 17,322 |
| Balance - end of year | 663,621 | 550,363 |

Internally restricted net assets relate to amounts that have been set aside by the board of directors for use in future capital projects as approved by the board. In a prior fiscal year, the board approved replacing a capital levy to the Saskatoon Kinsmen/Henk Ruys Soccer Centre with a \$5.50 assessment per player to be placed in the capital projects fund. The assessment was reduced to \$3.50 in 2021 for the outdoor season.

In addition, the board approved the transfer of an additional \$100,000 from unrestricted net assets to internally restricted net assets.

SASKATOON ADULT SOCCER INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED
SEPTEMBER 30, 2021

9. FINANCIAL RISK

Credit Risk

Credit risk is the risk that financial instrument future cash flows will fluctuate due to changes in the financial position of entities that possess credit with the organization. The organization is subject to credit risk on its accounts receivable. Accounts receivable are non-interest bearing and teams can be disqualified if their fees are not paid, thus exposure to this risk is limited. There has been no change in risk exposure from the prior year. As described in note 10, the credit risk has remained higher than what is typical as a result of the current health crisis created by the COVID-19 virus and its economic impact. There is uncertainty of the length and potential economic impact of COVID-19. Management will monitor receipts closely to mitigate any risk that may occur.

Market and Interest Rate Risk

The organization is subject to market risk and interest rate risk on its investments. Management has attempted to minimize this risk by selecting a diverse portfolio of investments and by choosing investments with a variety of rates of return and maturity dates. As described in note 10, the market and interest rate risk has remained higher than normal as a result of the current health crisis created by the COVID-19 virus and its economic impact. There is uncertainty of the length and potential economic impact of COVID-19. Management will monitor the investments closely to mitigate any risk that may occur.

10. UNCERTAINTY DUE TO THE COVID-19 HEALTH ISSUE

In March 2020 the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The organization has experienced changes in its operations as a result of the COVID-19 crisis, including the closure of its offices, a reduction in the length of the 2020/2021 indoor season and a reduction in players for the 2021 outdoor season.

Management has utilized grants and loan programs created by the Government of Canada and the Province of Saskatchewan to offset the financial impact that has been created by the COVID-19 virus. These programs along with existing cash resources has enabled Saskatoon Adult Soccer Inc. to maintain its operations and management is not concerned about the long-term financial health of Saskatoon Adult Soccer Inc.