
SASKATOON ADULT SOCCER INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019



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, 2019 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, 2019 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 10, 2019

SASKATOON ADULT SOCCER INC.**STATEMENT OF FINANCIAL POSITION****AS AT SEPTEMBER 30**

	2019	2018
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	949,112	846,221
Accounts receivable (note 3)	15,838	60,464
Goods and services tax receivable	6,127	-
Prepaid expenses and advances to teams	10,123	20,351
	981,200	927,036
LONG-TERM INVESTMENTS (note 4)	63,110	61,460
TANGIBLE CAPITAL ASSETS (note 5)	78,900	76,150
	1,123,210	1,064,646
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	14,082	22,094
Goods and services tax payable	-	1,520
Deferred income	241,465	188,306
	255,547	211,920
DEFERRED CAPITAL CONTRIBUTIONS (note 6)	19,720	22,040
	275,267	233,960
NET ASSETS		
NET ASSETS INVESTED IN TANGIBLE CAPITAL ASSETS	59,180	54,110
INTERNALLY RESTRICTED NET ASSETS (note 7)	533,041	512,737
UNRESTRICTED NET ASSETS	255,722	263,839
	847,943	830,686
	1,123,210	1,064,646

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 \$	2019 \$	2018 \$
BALANCE - BEGINNING OF YEAR	54,110	512,737	263,839	830,686	772,316
Excess (deficiency) of revenue over expenditures for the year	(7,924)	-	25,181	17,257	58,370
Purchase of tangible capital assets	12,994	(11,909)	(1,085)	-	-
Transfer to internally restricted net assets (note 7)	-	32,213	(32,213)	-	-
	5,070	20,304	(8,117)	17,257	58,370
BALANCE - END OF YEAR	59,180	533,041	255,722	847,943	830,686

SASKATOON ADULT SOCCER INC.**STATEMENT OF REVENUE AND EXPENDITURES****FOR THE YEAR ENDED
SEPTEMBER 30**

	2019	2018
	\$	\$
REVENUE		
Affiliation	847,717	807,668
Referees	265,203	249,504
Registration	191,509	204,116
Nationals hosting	120,767	-
Hosting	52,286	54,019
Capital improvement levy	32,214	33,055
Paypal fees	14,643	15,025
Membership Assistance Program (MAP) Grants	13,500	14,937
ID cards	9,675	9,745
Miscellaneous	7,913	5,880
Fines	2,196	700
Interest	1,231	1,348
Unrealized gain on investments	418	2,942
	1,559,272	1,398,939
EXPENDITURES		
Indoor	512,866	464,460
Referees fees	255,259	243,760
Registration	187,524	192,320
Salaries and benefits	173,913	159,923
Nationals expenses	120,645	-
Outdoor	115,913	135,274
Hosting	80,188	62,244
Administration (schedule)	37,226	32,810
Team contact appreciation	18,760	7,440
Bad debts	14,905	11,165
Interest and bank charges	12,644	21,151
Telephone	2,542	2,033
I.D. cards and camera maintenance	1,321	115
Travel	210	-
Affiliation	175	75
Grants	-	3,000
Miscellaneous	-	257
	1,534,091	1,336,027
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR BEFORE CAPITAL ITEMS		
	25,181	62,912
CAPITAL ITEMS		
Amortization of deferred capital contributions (note 6)	2,320	1,160
Depreciation	(10,244)	(5,702)
	(7,924)	(4,542)
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR		
	17,257	58,370

SASKATOON ADULT SOCCER INC.**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED
SEPTEMBER 30**

	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenditures for the year	17,257	58,370
Items not affecting cash -		
Depreciation	10,244	5,702
Unrealized gain on investments	(418)	(2,942)
Amortization of deferred capital contributions	(2,320)	(1,160)
	24,763	59,970
Changes in non-cash working capital items -		
Accounts receivable	44,626	(40,178)
Goods and services tax receivable	(6,127)	11,853
Prepaid expenses and advances to teams	10,228	(14,582)
Accounts payable and accrued liabilities	(8,012)	9,472
Deferred income	53,159	(47,261)
Goods and services tax payable	(1,520)	1,520
Cash Provided By (Used In) Operating Activities	117,117	(19,206)
FINANCING ACTIVITIES		
Additions to deferred capital contributions	-	23,200
Cash Provided By Financing Activities	-	23,200
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(12,994)	(71,216)
Reinvestment of income earned on long-term investments	(1,232)	(1,262)
Cash Used In Investing Activities	(14,226)	(72,478)
INCREASE (DECREASE) IN CASH POSITION	102,891	(68,484)
CASH POSITION - BEGINNING OF YEAR	846,221	914,705
CASH POSITION - END OF YEAR	949,112	846,221

SASKATOON ADULT SOCCER INC.**SCHEDULE OF ADMINISTRATION
EXPENDITURES****FOR THE YEAR ENDED
SEPTEMBER 30**

	2019	2018
	\$	\$
Office rental	10,440	10,380
Professional fees	9,173	9,524
Supplies	4,770	2,047
Board and staff expenses	4,037	698
Advertising and promotion	2,577	6,609
Professional development	2,240	15
Computer repair and maintenance	2,069	1,102
Office supplies	1,139	1,661
Insurance	659	677
Internet and software	122	97
	37,226	32,810

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 classics 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 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 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 not 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 of revenue over expenditures for the year.

The organization recognizes its transaction costs in excess 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.

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.

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.

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 MAP grants, and the estimated useful lives of tangible capital assets. Actual results could differ from estimates.

SASKATOON ADULT SOCCER INC.

NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
SEPTEMBER 30, 2019**

3. ACCOUNTS RECEIVABLE

	2019	2018
	\$	\$
Grants receivable	13,500	43,141
Trade receivables	3,743	28,388
Less: allowance for doubtful accounts	(1,405)	(11,065)
	<u>15,838</u>	<u>60,464</u>

4. LONG-TERM INVESTMENTS

	2019	2018
	\$	\$
Signature Global Income & Growth Fund (DSC)	25,082	26,698
FID Global Asset Allocation Fund (DSC)	20,442	18,278
AGF World Balanced Fund (DSC)	17,586	16,484
	<u>63,110</u>	<u>61,460</u>

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Depreciation	Net Book Value	
	\$	\$	2019	2018
	\$	\$	\$	\$
Furniture and equipment	131,747	61,214	70,533	65,390
Computer equipment	48,098	48,098	-	2
Tents	11,954	3,587	8,367	10,758
	<u>191,799</u>	<u>112,899</u>	<u>78,900</u>	<u>76,150</u>

6. DEFERRED CAPITAL CONTRIBUTIONS

	2019	2018
	\$	\$
Balance - beginning of the year	22,040	-
Grant received for capital purchase	-	23,200
Amortization of deferred capital contributions	(2,320)	(1,160)
	<u>19,720</u>	<u>22,040</u>

SASKATOON ADULT SOCCER INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

7. INTERNALLY RESTRICTED NET ASSETS

	2019 \$	2018 \$
Balance - beginning of year	512,737	504,682
Internally restricted during the year	-	30,000
Capital projects player assessment	32,213	33,055
Purchase of tangible capital assets	(11,909)	(55,000)
Balance - end of year	533,041	512,737

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. In addition, the board approved the transfer of \$11,909 from internally restricted funds for the purchase of tangible capital assets, as well as nil (2018 - \$30,000) from unrestricted to internally restricted net assets.

8. 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.

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. There has been no change in risk exposure from the prior year.

9. COMPARATIVE FIGURES

Certain of the 2018 figures on the statement of financial position have been reclassified to conform to the 2019 financial statement presentation.