
SASKATOON ADULT SOCCER INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018



HEAGY LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of
Saskatoon Adult Soccer Inc.

We have audited the accompanying financial statements of Saskatoon Adult Soccer Inc., which comprise the statement of financial position as at September 30, 2018 and the statements of revenue and expenditures, changes in net assets, cash flows and schedule of administration for the year then ended along with the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatoon Adult Soccer Inc. as at September 30, 2018 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Heagy LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Saskatoon, SK
December 11, 2018

SASKATOON ADULT SOCCER INC.

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30

	2018 \$	2017 \$
ASSETS		
CURRENT ASSETS		
Cash	846,221	914,705
Accounts receivable (note 3)	60,464	20,286
GST receivable	-	11,853
Prepaid expenses and advances to teams	20,351	5,769
	927,036	952,613
LONG-TERM INVESTMENTS (note 4)	61,460	57,256
TANGIBLE CAPITAL ASSETS (note 5)	76,150	10,636
	1,064,646	1,020,505
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	22,094	12,622
Goods and services taxes payable	1,520	-
Deferred income	188,306	235,567
	211,920	248,189
DEFERRED CAPITAL CONTRIBUTIONS (note 6)	22,040	-
	233,960	248,189
NET ASSETS		
NET ASSETS INVESTED IN TANGIBLE CAPITAL ASSETS	76,150	10,636
INTERNALLY RESTRICTED NET ASSETS (note 7)	512,737	504,682
UNRESTRICTED NET ASSETS	241,799	256,998
	830,686	772,316
	1,064,646	1,020,505

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 \$	2018 \$	2017 \$
BALANCE - BEGINNING OF YEAR	10,636	504,682	256,998	772,316	679,437
Excess (deficiency) of revenue over expenditures for the year	(4,542)	-	62,912	58,370	92,879
Purchase of tangible capital assets	70,056	(55,000)	(15,056)	-	-
Transfer to internally restricted net assets (note 7)	-	63,055	(63,055)	-	-
	65,514	8,055	(15,199)	58,370	92,879
BALANCE - END OF YEAR	76,150	512,737	241,799	830,686	772,316

SASKATOON ADULT SOCCER INC.

STATEMENT OF REVENUE AND EXPENDITURES

FOR THE YEAR ENDED
SEPTEMBER 30

	2018	2017
	\$	\$
REVENUE		
Affiliation	807,668	859,591
Referees	249,504	254,686
Registration	204,116	227,387
Hosting	54,019	55,773
Capital improvement levy	33,055	35,761
Paypal fees	15,025	16,255
Membership Assistance Program (MAP) Grants	14,937	13,170
ID cards	9,745	17,084
Miscellaneous	5,880	3,400
Unrealized gain on investments	2,942	2,286
Interest	1,348	859
Fines	700	-
	1,398,939	1,486,252
EXPENDITURES		
Indoor	464,460	517,031
Referees fees	243,760	253,894
Registration	192,320	208,144
Salaries and benefits	159,923	167,869
Outdoor	135,274	114,132
Hosting	62,244	51,393
Administration (schedule)	32,810	31,307
Interest and bank charges	21,151	19,836
Bad debts	11,165	1,562
Team contact appreciation	7,440	9,410
Grants	3,000	8,000
Telephone	2,033	2,624
Miscellaneous	257	4,803
I.D. cards and camera maintenance	115	1,515
Affiliation	75	150
Travel	-	525
	1,336,027	1,392,195
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR BEFORE CAPITAL ITEMS	62,912	94,057
CAPITAL ITEMS		
Amortization of deferred capital contributions (note 6)	1,160	-
Depreciation	(5,702)	(1,178)
	(4,542)	(1,178)
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	58,370	92,879

SASKATOON ADULT SOCCER INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED
SEPTEMBER 30

	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenditures for the year	58,370	92,879
Items not affecting cash -		
Depreciation	5,702	1,178
Unrealized gain on investments	(2,942)	(2,286)
Amortization of deferred capital contributions	(1,160)	-
	59,970	91,771
Changes in non-cash working capital items -		
Accounts receivable	(40,178)	3,964
GST receivable	11,853	19,339
Advances to teams	(14,582)	231
Accounts payable and accrued liabilities	9,472	9,596
Deferred income	(47,261)	235,567
GST payable	1,520	-
Cash Provided By (Used In) Operating Activities	(19,206)	360,468
FINANCING ACTIVITIES		
Additions to deferred capital contributions	23,200	-
Cash Provided By Financing Activities	23,200	-
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(71,216)	(529)
Reinvestment of income earned on long-term investments	(1,262)	(858)
Cash Used In Investing Activities	(72,478)	(1,387)
(DECREASE) INCREASE IN CASH POSITION	(68,484)	359,081
CASH POSITION - BEGINNING OF YEAR	914,705	555,624
CASH POSITION - END OF YEAR	846,221	914,705

SASKATOON ADULT SOCCER INC.

SCHEDULE OF ADMINISTRATION EXPENDITURES

FOR THE YEAR ENDED
SEPTEMBER 30

	2018	2017
	\$	\$
Office rental	10,380	10,080
Professional fees	9,524	8,978
Advertising and promotion	6,609	1,916
Supplies	2,047	2,242
Office supplies	1,661	1,613
Computer repair and maintenance	1,102	1,071
Board expenses	698	4,137
Insurance	677	921
Internet and software	97	169
Professional development	15	180
	32,810	31,307

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 GST 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 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 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, 2018

7. INTERNALLY RESTRICTED NET ASSETS

	2018 \$	2017 \$
Balance - beginning of year	504,682	418,921
Internally restricted during the year	30,000	50,000
Capital projects player assessment	33,055	35,761
Purchase of tangible capital assets	(55,000)	-
Balance - end of year	512,737	504,682

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 \$55,000 from internally restricted funds for the purchase of tangible capital assets, as well as \$30,000 (2017 - \$50,000) 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 2017 figures on the statement of financial position have been reclassified to conform to the 2018 financial statement presentation.

SASKATOON ADULT SOCCER INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED
SEPTEMBER 30, 2018

3. ACCOUNTS RECEIVABLE

	2018	2017
	\$	\$
Grants receivable	43,141	16,000
Trade receivables	28,388	4,286
Less: allowance for doubtful accounts	(11,065)	-
	60,464	20,286

4. LONG-TERM INVESTMENTS

	2018	2017
	\$	\$
Signature Global Income & Growth Fund (DSC)	26,698	22,494
FID Global Asset Allocation Fund (DSC)	18,278	18,278
AGF World Balanced Fund (DSC)	16,484	16,484
	61,460	57,256

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Depreciation	Net Book Value 2018	2017
	\$	\$	\$	\$
Furniture and equipment	118,753	53,363	65,390	10,634
Computer equipment	48,098	48,096	2	2
Tents	11,954	1,196	10,758	-
	178,805	102,655	76,150	10,636

6. DEFERRED CAPITAL CONTRIBUTIONS

	2018	2017
	\$	\$
Grant received for capital purchase	23,200	-
Amortization of deferred capital contributions	(1,160)	-
Balance - end of year	22,040	-