
SASKATOON ADULT SOCCER INC.
FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2020



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, 2020 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, 2020 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 4, 2020



SASKATOON ADULT SOCCER INC.

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30

	2020	2019
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	811,017	949,112
Accounts receivable (note 3)	45,585	15,838
Goods and services tax receivable	-	6,127
Prepaid expenses and advances to teams	5,401	10,123
	862,003	981,200
LONG-TERM INVESTMENTS (note 4)	67,174	63,110
TANGIBLE CAPITAL ASSETS (note 5)	68,836	78,900
	998,013	1,123,210
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	19,623	14,082
Goods and services tax payable	12,578	-
Deferred income	113,955	241,465
	146,156	255,547
DEFERRED CAPITAL CONTRIBUTIONS (note 6)	17,400	19,720
	163,556	275,267
NET ASSETS		
NET ASSETS INVESTED IN TANGIBLE CAPITAL ASSETS	51,436	59,180
INTERNALLY RESTRICTED NET ASSETS (note 7)	550,363	533,041
UNRESTRICTED NET ASSETS	232,658	255,722
	834,457	847,943
	998,013	1,123,210

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 \$	2020 \$	2019 \$
BALANCE - BEGINNING OF YEAR	59,180	533,041	255,722	847,943	830,686
(Deficiency) excess of revenue over expenditures for the year	(7,744)	-	(5,742)	(13,486)	17,257
Transfer to internally restricted net assets (note 7)	-	17,322	(17,322)	-	-
	(7,744)	17,322	(23,064)	(13,486)	17,257
BALANCE - END OF YEAR	51,436	550,363	232,658	834,457	847,943

SASKATOON ADULT SOCCER INC.

STATEMENT OF REVENUE AND EXPENDITURES

FOR THE YEAR ENDED
SEPTEMBER 30

	2020	2019
	\$	\$
REVENUE		
Affiliation	526,021	847,717
Referees	164,538	265,203
Registration	108,804	191,509
Canada Emergency Wage Subsidy	45,050	-
Hosting	23,976	52,286
Capital improvement levy	17,322	32,214
Saskatchewan Small Business Emergency Program	10,000	-
On-line fees	9,614	14,643
Unrealized gain on investments	3,685	418
ID cards	1,830	9,675
Fines	861	2,196
Interest	379	1,231
Miscellaneous	343	7,913
Membership Assistance Program (MAP) Grants	-	13,500
Nationals hosting	-	120,767
	912,423	1,559,272
EXPENDITURES		
Indoor	402,543	512,866
Salaries and benefits	153,898	173,913
Referees fees	150,230	255,259
Registration	107,736	187,524
Administration (schedule)	43,173	37,226
Hosting	23,874	200,833
Interest and bank charges	12,391	12,644
Outdoor	11,624	115,913
Bad debts	9,505	14,905
Telephone	2,096	2,542
I.D. cards and camera maintenance	632	1,321
Team contact appreciation	388	18,760
Affiliation	75	175
Travel	-	210
	918,165	1,534,091
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR BEFORE CAPITAL ITEMS	(5,742)	25,181
CAPITAL ITEMS		
Amortization of deferred capital contributions (note 6)	2,320	2,320
Depreciation	(10,064)	(10,244)
	(7,744)	(7,924)
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	(13,486)	17,257

SASKATOON ADULT SOCCER INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED
SEPTEMBER 30

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenditures for the year	(13,486)	17,257
Items not affecting cash -		
Depreciation	10,064	10,244
Unrealized gain on investments	(3,685)	(418)
Amortization of deferred capital contributions	(2,320)	(2,320)
	(9,427)	24,763
Changes in non-cash working capital items -		
Accounts receivable	(29,747)	44,626
Goods and services tax receivable	6,127	(6,127)
Prepaid expenses and advances to teams	4,722	10,228
Accounts payable and accrued liabilities	5,541	(8,012)
Goods and services tax payable	12,578	(1,520)
Deferred income	(127,510)	53,159
Cash (Used In) Provided By Operating Activities	(137,716)	117,117
INVESTING ACTIVITIES		
Purchase of tangible capital assets	-	(12,994)
Reinvestment of income earned on long-term investments	(379)	(1,232)
Cash Used In Investing Activities	(379)	(14,226)
(DECREASE) INCREASE IN CASH POSITION	(138,095)	102,891
CASH POSITION - BEGINNING OF YEAR	949,112	846,221
CASH POSITION - END OF YEAR	811,017	949,112

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

	2020	2019
	\$	\$
Professional fees	14,098	9,173
Book-keeping	13,053	-
Office rental	7,268	10,440
Computer repair and maintenance	2,246	2,069
Board and staff expenses	1,703	4,037
Covid-19 supplies	1,277	-
Office supplies	1,137	1,139
Advertising and promotion	1,094	2,577
Insurance	1,072	659
Supplies	225	4,770
Professional development	-	2,240
Internet and software	-	122
	43,173	37,226

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.

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, 2020

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

	2020	2019
	\$	\$
Canada Emergency Wage Subsidy	45,050	-
Trade receivables	1,835	3,743
Grants receivable	-	13,500
Less: allowance for doubtful accounts	(1,300)	(1,405)
	45,585	15,838

4. LONG-TERM INVESTMENTS

	2020	2019
	\$	\$
Signature Global Income & Growth Fund (DSC)	27,034	25,082
FID Global Asset Allocation Fund (DSC)	21,662	20,442
AGF World Balanced Fund (DSC)	18,478	17,586
	67,174	63,110

5. TANGIBLE CAPITAL ASSETS

	Accumulated		Net Book Value	
	Cost	Depreciation	2020	2019
	\$	\$	\$	\$
Furniture and equipment	131,747	68,887	62,860	70,533
Computer equipment	48,098	48,098	-	-
Tents	11,954	5,978	5,976	8,367
	191,799	122,963	68,836	78,900

6. DEFERRED CAPITAL CONTRIBUTIONS

	2020	2019
	\$	\$
Balance - beginning of the year	19,720	22,040
Amortization of deferred capital contributions	(2,320)	(2,320)
	17,400	19,720

SASKATOON ADULT SOCCER INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED
SEPTEMBER 30, 2020

7. INTERNALLY RESTRICTED NET ASSETS

	2020	2019
	\$	\$
Balance - beginning of year	533,041	512,737
Capital projects player assessment	17,322	32,213
Purchase of tangible capital assets	-	(11,909)
Balance - end of year	550,363	533,041

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 waived in 2020 for the outdoor season.

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. As described in note 9, the credit risk has increased from the prior year 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 9, the market and interest rate risk has increased from the prior year 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.

9. 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 2019/2020 indoor season and a delay in the starting date of the 2020 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.

10. SUBSEQUENT EVENTS

As a result of the ongoing pandemic, the organization has currently stopped the indoor soccer season as at the audit report date. Management is closely monitoring the situation and is hopeful that the indoor season will be able to restart in the future. Management is uncertain about the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance. The overall effect of these events on the organization and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.