

SASKATOON ADULT SOCCER INC.
FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Saskatoon Adult Soccer Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Saskatoon Adult Soccer Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Finance Committee. The Finance Committee is appointed by the Board and meets periodically with management and the directors' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the directors, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the directors by Virtus Group Chartered Professional Accountants & Business Advisors LLP, in accordance with Canadian generally accepted auditing standards.



Danielle Bryk, Executive Director

Saskatoon, SK
December 13, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members of Saskatoon Adult Soccer Inc.

Opinion

We have audited the financial statements of Saskatoon Adult Soccer Inc. (the Organization), which comprise the statement of financial position as at September 30, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at September 30, 2023, and the results of its operations and 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with 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.

Other Matter

The financial statements for the year ended September 30, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on December 9, 2022.

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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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


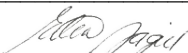
December 13, 2023
Saskatoon, Saskatchewan

Virtus Group LLP
Chartered Professional Accountants

SASKATOON ADULT SOCCER INC.
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	2023	2022
ASSETS		
Current		
Cash	\$ 783,988	\$ 665,604
Guaranteed investment certificate <i>(Note 3)</i>	516,395	500,000
Accounts receivable <i>(Note 4)</i>	38,491	16,752
Goods and services tax receivable	3,155	3,192
Prepaid expenses and advances to teams	3,646	10,727
	1,345,675	1,196,275
Long-term investments <i>(Note 5)</i>	72,032	68,257
Tangible capital assets <i>(Note 6)</i>	48,814	59,877
	<u>\$ 1,466,521</u>	<u>\$ 1,324,409</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 18,375	\$ 11,986
Deferred income	400,635	296,165
Current portion of long-term debt <i>(Note 8)</i>	40,000	-
	459,010	308,151
Deferred capital contributions <i>(Note 7)</i>	16,071	19,142
Long-term debt <i>(Note 8)</i>	-	40,000
	<u>475,081</u>	<u>367,293</u>
NET ASSETS		
Net assets invested in tangible capital assets	32,743	40,735
Internally restricted net assets <i>(Note 9)</i>	716,603	688,443
Unrestricted net assets	242,094	227,938
	<u>991,440</u>	<u>957,116</u>
	<u>\$ 1,466,521</u>	<u>\$ 1,324,409</u>

ON BEHALF OF THE BOARD


Director

Director

See accompanying notes to the financial statements

SASKATOON ADULT SOCCER INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Invested in tangible capital assets		Internally Restricted		Unrestricted		2023	2022
Net assets - beginning of year	\$	40,735	\$	688,443	\$	227,938	\$ 957,116	\$ 981,348
Excess (deficiency) of revenue over expenses for the year		(7,992)		-		42,316	34,324	(24,232)
Transfer to internally restricted net assets		-		28,160		(28,160)	-	-
Net assets - end of year	\$	32,743	\$	716,603	\$	242,094	\$ 991,440	\$ 957,116

See accompanying notes to the financial statements

SASKATOON ADULT SOCCER INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023	2022
Revenue		
Affiliation	\$ 752,217	\$ 673,579
Referees	223,570	186,016
Registration	161,009	144,784
Hosting	54,495	16,457
Fines and penalties	11,542	5,228
On-line fees	9,696	11,283
Miscellaneous	6,416	7,709
ID cards	1,666	1,385
	<u>1,220,611</u>	<u>1,046,441</u>
Expenses		
Indoor	421,626	382,801
Referees fees	214,549	177,539
Salaries and benefits	202,524	193,653
Registration	165,158	151,662
Outdoor	98,716	97,065
Hosting	62,886	20,464
Administration (<i>Schedule 1</i>)	42,337	51,619
Transaction fees	27,127	18,386
Awards	9,509	34,454
Miscellaneous	2,430	953
Membership fees	75	75
Grants	-	2,000
Bad debts	-	228
	<u>1,246,937</u>	<u>1,130,899</u>
Excess (deficiency) of revenue over expenses for the year before capital and other items	<u>(26,326)</u>	<u>(84,458)</u>
Capital and other items		
Membership Assistance Program (MAP) Grants	20,312	19,995
Capital improvement levy	28,160	24,822
Investment income	16,395	1,129
Unrealized gain (loss) on investments	3,775	(10,326)
Amortization of deferred capital contributions (<i>Note 7</i>)	3,071	3,071
Canada Emergency Wage Subsidy	-	13,841
Forgivable portion of CEBA loan	-	20,000
Depreciation	(11,063)	(12,306)
	<u>60,650</u>	<u>60,226</u>
	<u>60,650</u>	<u>60,226</u>
Excess (deficiency) of revenue over expenses for the year	<u>\$ 34,324</u>	<u>\$ (24,232)</u>

See accompanying notes to the financial statements

SASKATOON ADULT SOCCER INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023	2022
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 34,324	\$ (24,232)
Items not affecting cash:		
Depreciation	11,063	12,306
Unrealized gain (loss) on investments	(3,775)	10,326
Forgivable portion of CEBA loan	-	(20,000)
Amortization of deferred capital contributions	(3,071)	(3,071)
	<u>38,541</u>	<u>(24,671)</u>
Changes in non-cash working capital:		
Accounts receivable	(21,739)	(2,745)
Goods and services tax receivable	37	2,403
Prepaid expenses and advances to teams	7,081	(6,891)
Accounts payable and accrued liabilities	6,389	(2,797)
Deferred income	104,470	49,900
	<u>96,238</u>	<u>39,870</u>
Cash flow from operating activities	<u>134,779</u>	<u>15,199</u>
Investing activities		
Reinvestment of income on long-term investments	-	(1,129)
Investment in guaranteed investment certificate	(16,395)	(500,000)
Cash flow used by investing activities	<u>(16,395)</u>	<u>(501,129)</u>
Increase (decrease) in cash	118,384	(485,930)
Cash - beginning of year	<u>665,604</u>	<u>1,151,534</u>
Cash - end of year	<u>\$ 783,988</u>	<u>\$ 665,604</u>

See accompanying notes to the financial statements

SASKATOON ADULT SOCCER INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

1. The Organization

Saskatoon Adult Soccer Inc. (the "Organization") 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 Organization 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 (ASNFPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

(a) 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 its financial assets and financial liabilities at cost or 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 of these financial instruments are recognized in excess (deficiency) of revenue over expenses for the year. Fair value is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

The Organization's financial assets measured at fair value include long-term investments.

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 expenses 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 reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses for the year.

The Organization recognizes its transaction costs in excess (deficiency) of revenue over expenses 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.

(b) 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.

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SASKATOON ADULT SOCCER INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

2. Significant accounting policies (continued)

(c) 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 excess (deficiency) of revenue over expenses in the year in which it became known. Depreciation of tangible capital assets is calculated using the straight-line method at the following 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. There is no depreciation recorded in the year of disposal.

(d) Revenue recognition

The Organization 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.

(e) 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 during the year since a fair market value cannot be reasonably estimated.

(f) 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 revenues and expenditures during the year. Significant items subject to estimate and assumption include the valuation of accounts receivable and the estimated useful lives of tangible capital assets. Actual results could differ from estimates.

3. Guaranteed investment certificates

Guaranteed investment certificate held with TCU Financial Group bears interest at 4.15%. The investment matures September 20, 2024.

SASKATOON ADULT SOCCER INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

4. Accounts receivable

	2023	2022
Trade receivables	\$ 26,203	\$ 15,527
Grants receivable	12,288	1,225
	<u>\$ 38,491</u>	<u>\$ 16,752</u>

5. Long-term investments

	2023	2022
Signature Global Income & Growth Fund (DSC)	\$ 29,047	\$ 27,816
FID Global Asset Allocation Fund (DSC)	22,520	20,628
AGF World Balanced Fund (DSC)	20,465	19,813
	<u>\$ 72,032</u>	<u>\$ 68,257</u>

6. Tangible capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Furniture and equipment	\$ 146,658	\$ 97,844	\$ 48,814	\$ 58,683
Computer equipment	48,098	48,098	-	-
Tents	11,954	11,954	-	1,194
	<u>\$ 206,710</u>	<u>\$ 157,896</u>	<u>\$ 48,814</u>	<u>\$ 59,877</u>

7. Deferred capital contributions

	2023	2022
Balance - beginning of year	\$ 19,142	\$ 22,213
Amortization of deferred capital contributions	(3,071)	(3,071)
Balance - end of year	<u>\$ 16,071</u>	<u>\$ 19,142</u>

SASKATOON ADULT SOCCER INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

8. Long-term debt

	2023	2022
CEBA loan payable to TCU Financial Group. Under the terms of the CEBA program, the Organization received proceeds of \$60,000, of which \$20,000 is forgiven if the remaining \$40,000 is repaid prior to or by the due date. For this reason, \$20,000 of this loan was recognized as income in the prior year. Loan is unsecured, and due January 18, 2024.	\$ 40,000	\$ 40,000
Current portion due within one year	(40,000)	-
	<u>\$ -</u>	<u>\$ 40,000</u>

9. Internally restricted net assets

	2023	2022
Balance - beginning of year	\$ 688,443	\$ 663,621
Capital projects player assessment	28,160	24,822
Balance - end of year	<u>\$ 716,603</u>	<u>\$ 688,443</u>

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. Individual player registrations include an assessment of \$5.50 per player as a contribution to the capital projects fund.

10. Financial risk

The Organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Organization is exposed are:

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.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt and accounts payable.

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.

SASKATOON ADULT SOCCER INC.
SCHEDULE OF ADMINISTRATION EXPENSES **(Schedule 1)**
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023	2022
Professional fees	\$ 11,952	\$ 22,266
Advertising and promotion	11,307	7,803
Office rental	10,230	10,785
Telephone	2,270	2,163
Computer repair and maintenance	2,235	1,737
Insurance	1,518	1,428
Board and staff expenses	1,153	1,631
Supplies	882	995
Office supplies	790	967
Internet and software	-	1,844
	<u>\$ 42,337</u>	<u>\$ 51,619</u>