
SASKATOON ADULT SOCCER INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

Heagy Altrogge Matchett & Partners LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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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, 2017 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, 2017 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 Altrogge Matchett & Partners LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
December 7, 2017

SASKATOON ADULT SOCCER INC.

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30

	2017 \$	2016 \$
ASSETS		
CURRENT ASSETS		
Cash	679,138	555,624
Accounts receivable (note 3)	20,286	24,250
GST receivable	11,853	31,192
Prepaid expenses and advances to teams	5,769	6,000
	717,046	617,066
LONG-TERM INVESTMENTS (note 4)	57,256	54,112
TANGIBLE CAPITAL ASSETS (note 5)	10,636	11,285
	784,938	682,463
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	12,622	3,026
NET ASSETS		
NET ASSETS INVESTED IN TANGIBLE CAPITAL ASSETS	10,636	11,285
INTERNALLY RESTRICTED NET ASSETS (note 6)	504,682	418,921
UNRESTRICTED NET ASSETS	256,998	249,231
	772,316	679,437
	784,938	682,463

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 \$	2017 \$	2016 \$
BALANCE - BEGINNING OF YEAR	11,285	418,921	249,231	679,437	527,627
Excess (deficiency) of revenue over expenditures for the year	(1,178)	-	94,057	92,879	151,810
Purchase of tangible capital assets	529	-	(529)	-	-
Transfer to internally restricted net assets (note 6)	-	85,761	(85,761)	-	-
	(649)	85,761	7,767	92,879	151,810
BALANCE - END OF YEAR	10,636	504,682	256,998	772,316	679,437

SASKATOON ADULT SOCCER INC.

STATEMENT OF REVENUE AND EXPENDITURES

**FOR THE YEAR ENDED
SEPTEMBER 30**

	2017	2016
	\$	\$
REVENUE		
Affiliation	859,591	925,952
Referees	254,686	256,144
Registration	215,835	223,968
Hosting	55,773	59,050
Capital improvement levy	35,761	37,675
ID cards	17,084	18,490
Paypal fees	16,255	16,945
Membership Assistance Program (MAP) Grants	13,170	20,062
Fines	11,552	5,940
Miscellaneous	3,400	11,546
Unrealized gain on investments	2,286	1,489
Interest	859	906
	1,486,252	1,578,167
EXPENDITURES		
Indoor	517,031	580,677
Referees fees	253,894	263,012
Registration	208,144	219,240
Salaries and benefits	167,869	139,449
Outdoor	114,132	105,948
Hosting	51,393	57,778
Administration (schedule)	31,307	27,812
Interest and bank charges	19,836	20,877
Team contact appreciation	9,410	-
Grants	8,000	2,000
Miscellaneous	4,803	2,173
Telephone	2,624	1,857
Bad debts	1,562	2,240
I.D. cards and camera maintenance	1,515	1,406
Travel	525	325
Affiliation	150	150
	1,392,195	1,424,944
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR BEFORE DEPRECIATION	94,057	153,223
DEPRECIATION	1,178	1,413
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	92,879	151,810

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

	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenditures for the year	92,879	151,810
Items not affecting cash -		
Depreciation	1,178	1,413
Unrealized gain on investments	(2,286)	(1,489)
	91,771	151,734
Changes in non-cash working capital items -		
Accounts receivable	3,964	(1,850)
GST receivable	19,339	(27,377)
Advances to teams	231	(2,000)
Accounts payable and accrued liabilities	9,596	(6,159)
Cash Provided By Operating Activities	124,901	114,348
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(529)	(7,298)
Reinvestment of income earned on long-term investments	(858)	(906)
Cash Used In Investing Activities	(1,387)	(8,204)
INCREASE IN CASH POSITION	123,514	106,144
CASH POSITION - BEGINNING OF YEAR	555,624	449,480
CASH POSITION - END OF YEAR	679,138	555,624

SASKATOON ADULT SOCCER INC.

SCHEDULE OF ADMINISTRATION EXPENDITURES

FOR THE YEAR ENDED
SEPTEMBER 30

	2017	2016
	\$	\$
Office rental	10,080	9,900
Professional fees	8,978	8,305
Board expenses	4,137	1,473
Supplies	2,242	1,790
Advertising and promotion	1,916	451
Office supplies	1,613	1,846
Computer repair and maintenance	1,071	998
Insurance	921	1,001
Professional development	180	-
Internet and software	169	2,048
	31,307	27,812

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.

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%

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, 2017

3. ACCOUNTS RECEIVABLE

	2017	2016
	\$	\$
Grants receivable	16,000	21,000
Trade receivables	4,286	5,490
Less: allowance for doubtful accounts	-	(2,240)
	20,286	24,250

4. LONG-TERM INVESTMENTS

	2017	2016
	\$	\$
Signature Global Income & Growth Fund (DSC)	22,494	20,894
FID Global Asset Allocation Fund (DSC)	18,278	17,427
AGF World Balanced Fund (DSC)	16,484	15,791
	57,256	54,112

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Depreciation	Net Book Value 2017	2016
	\$	\$	\$	\$
Furniture and equipment	59,490	48,856	10,634	11,283
Computer equipment	48,098	48,096	2	2
	107,588	96,952	10,636	11,285

6. INTERNALLY RESTRICTED NET ASSETS

	2017	2016
	\$	\$
Balance - beginning of year	418,921	306,246
Internally restricted during the year	50,000	75,000
Capital projects player assessment	35,761	37,675
Balance - end of year	504,682	418,921

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 \$50,000 (2016 - \$75,000) from unrestricted to internally restricted net assets.

7. 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.