

November 13, 2020

To: Saskatoon Youth Soccer Inc.  
Saskatoon Adult Soccer Inc.

Dear SSCI Member Representatives,

Please find attached the 2018/19 Audited Financial Statements of Saskatoon Soccer Centre Inc. Please accept this overview of items contained within the statements, as well as a description of the financial position of SSCI as an organization.

Within the Audited Statements for the year ending September 30, 2019, the Statement of Operations indicates that the excess of revenue over expenses for 2019 was \$974,291, and \$885,923 for 2018. Please note that these statements reflect operations based on the accrual method of accounting, and only expense the mortgage and debenture interest on long term debt (\$61,670 and \$93,996 for 2019 and 2018 respectively). A large portion of these mortgage and debenture payments are principal, and therefore not recognized as an expense. In 2017/18 the total cash outlay for mortgage and debenture payments (mostly principal) totalled \$875,615; and \$875,331 in 2018/19.

In addition, year-end adjustments are also made which remove the cost of capital expenditures, as well as our mandatory annual contributions to the Dedicated Capital Reinvestment Fund. These amounts totalled close to \$304,253 in 2017/18 and over \$621,214 in 2018/19.

The attached *Statement of Cash Flows* from our most recent audited statements takes these additional expenditures into account, and shows a year end decrease in cash of \$25,595 for 2018/19 and a \$580,774 increase for 2017/18. The decrease in cash for this past fiscal year was partly the result of higher capital expenditures than the previous year.

Each annual budget is set with a minimal profit target, as is typical with non-profit organizations. However, as we have served as an evacuation reception centre for the province and Red Cross almost annually, we typically benefit from this unbudgeted source of additional revenue, and the summer of 2019 was no different. We were set up to accept guests from a major evacuation of communities in Ontario; however, did not need to be utilized, but we still received revenue/cost recovery of \$32,442. Also of note is that as of the start of the 2019 indoor season admission fees were eliminated, resulting in an additional reduction of revenue over previous years.

...2



November 13, 2020

Page 2

We continue to invest heavily in our facilities beyond the regular required maintenance, and invested \$403,822 in 2018/19 on capital expenditure projects to improve the facilities. Major projects over the last decade include: installation of sprung flooring on all four fields at Henk Ruys, parking lot repairs, front entrance repairs, indoor turf replacement and expansion, and the addition of bleachers and beach courts. More recently projects include upgrading the lighting to energy efficient LED lights at both facilities, and the installation of ventilation fans at the Saskatoon Sports Centre to help with air flow and heat build-up. We also undertook significant enhancements to our beach courts including new sand and additional lighting, replaced and added chilled water fountains with water bottle fillers, installed projectors and screens in both our community meeting rooms, and installed new safety equipment to our indoor divider curtains. We also continue to look to and plan for the future. We are planning for the anticipated need to replace the outdoor turf and lights in the near future at an anticipated cost of \$1.5 million, and replacement of the indoor turf will follow soon after.

As our organization was in a strong financial position following the 2018/19 fiscal year, we made the decision to accelerate our debt servicing costs. This resulted in our mortgage payments being retired recently, saving our organization a significant amount in interest payments. We also made our last debenture payment in the summer of 2020. However, the challenges of COVID-19 have had a significant impact on our financial position. Our cash reserves allowed us to continue operations during our closure, albeit on a very reduced scale. We were also able to work with our Member Associations to offer a 20% reduction in league rental fees to help support our sport and ensure an opportunity for players to resume league play.

We very much appreciate the opportunity to work closely with you to determine the future of SSCI, and continue to partner to provide world class facilities for our youth and adult players and grow the game in our community.

Sincerely,

Jodi Blackwell  
Chief Executive Officer

Cc: Saskatoon Soccer Centre Board of Directors

Attachment: Saskatoon Soccer Centre Inc. 2018/19 Audited Financial Statements