

**SASKATOON SOCCER CENTRE INC.**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020**

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

The accompanying financial statements of **Saskatoon Soccer Centre Inc.** have been prepared by the Organization's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgement and management estimates.


To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The board of directors have reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, **Virtus Group LLP**, and their report is presented separately.



**Jodi Blackwell**  
Chief Executive Officer



**Phil Proznik, CPA, CGA**  
Finance Administration Manager

## INDEPENDENT AUDITORS' REPORT



**VIRTUS  
GROUP**  
Chartered Professional Accountants  
& Business Advisors LLP

**To the Members,  
Saskatoon Soccer Centre Inc.**

### *Opinion*

We have audited the financial statements of **Saskatoon Soccer Centre Inc.**, which comprise the statement of financial position as at September 30, 2020, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at September 30, 2020, and its financial performance 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 the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, 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 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.

### *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.

## INDEPENDENT AUDITORS' REPORT *continued*

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 significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

February 24, 2021  
Saskatoon, Saskatchewan

*Virtus Group LLP*  
Chartered Professional Accountants

**SASKATOON SOCCER CENTRE INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2020**  
**(with comparative figures for 2019)**

**ASSETS**

	<b>Operating Fund</b>	<b>Physical Asset Fund</b>	<b>2020 Total</b>	<b>2019 Total</b>
<b>Current assets</b>				
Cash	\$ 1,099,011	\$ 122,600	\$ 1,221,611	\$ 1,340,662
Investments (Note 3)	105,405	-	105,405	104,001
Accounts receivable (Note 4)	368,182	-	368,182	281,890
Inventory	20,496	-	20,496	17,092
Prepaid expenses and deposits	33,178	-	33,178	32,366
	1,626,272	122,600	1,748,872	1,776,011
<b>Investments (Note 3)</b>	428,901	-	428,901	419,616
<b>Dedicated Capital Reinvestment (Note 5)</b>	-	1,869,814	1,869,814	1,824,865
<b>Tangible capital assets (Note 6)</b>	-	13,119,464	13,119,464	13,664,662
	\$ 2,055,173	\$ 15,111,878	\$ 17,167,051	\$ 17,685,154

**LIABILITIES**

<b>Current liabilities</b>				
Accounts payable (Note 7)	\$ 116,800	\$ 946	\$ 117,746	\$ 143,307
Government remittances payable	571	-	571	5,465
Deferred revenue	5,930	-	5,930	18,659
Current portion of long-term debt (Note 9)	-	41,401	41,401	836,939
	123,301	42,347	165,648	1,004,370
<b>Long-term debt (Note 9)</b>	30,000	-	30,000	41,544
	153,301	42,347	195,648	1,045,914

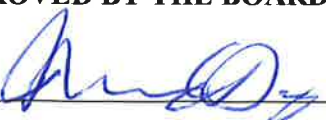
**FUND BALANCES**

Unrestricted	1,901,872	-	1,901,872	1,919,790
Internally restricted	-	122,600	122,600	122,600
Dedicated capital reinvestment	-	1,869,814	1,869,814	1,824,865
Invested in tangible capital assets	-	13,077,117	13,077,117	12,771,985
	1,901,872	15,069,531	16,971,403	16,639,240
	\$ 2,055,173	\$ 15,111,878	\$ 17,167,051	\$ 17,685,154

**Commitments (Note 10)**  
**Significant events (Note 13)**

See accompanying notes to the financial statements.

**APPROVED BY THE BOARD:**

 Director

 Director

**SASKATOON SOCCER CENTRE INC.**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
(with comparative figures for the year ended September 30, 2019)

	Unrestricted	Internally restricted	Dedicated capital reinvestment	Invested in tangible capital assets	2020	2019
<b>Fund balances, beginning of year</b>	\$ 1,919,790	\$ 122,600	\$ 1,824,865	\$12,771,985	\$16,639,240	\$15,664,949
Excess (deficiency) of revenue over expenses	889,761	-	44,949	(602,547)	332,163	974,291
Interfund transfers						
Additions to tangible capital assets	(32,980)	-	-	32,980	-	-
Interest on long-term debt	(24,368)	-	-	24,368	-	-
Debt retirement	(850,331)	-	-	850,331	-	-
<b>Fund balances, end of year</b>	<b>\$ 1,901,872</b>	<b>\$ 122,600</b>	<b>\$ 1,869,814</b>	<b>\$13,077,117</b>	<b>\$16,971,403</b>	<b>\$16,639,240</b>

See accompanying notes to the financial statements.

**SASKATOON SOCCER CENTRE INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
(with comparative figures for the year ended September 30, 2019)

	<u>Operating</u> <u>Fund</u>	<u>Physical Asset</u> <u>Fund</u>	<u>2020</u> <u>Total</u>	<u>2019</u> <u>Total</u>
<b>Revenue</b>				
Field rentals				
Saskatoon Adult Soccer Inc.	\$ 402,880	\$ -	\$ 402,880	\$ 543,938
Saskatoon Youth Soccer Inc.	361,818	-	361,818	434,523
Tournaments and other	673,265	-	673,265	920,545
Non-soccer users and other	356,688	-	356,688	564,436
Admissions	46,782	-	46,782	188,027
Board advertising	9,150	-	9,150	17,796
Rental				
Food and beverage	96,562	-	96,562	147,537
Office and meeting space	48,174	-	48,174	69,521
Other	10,121	-	10,121	11,470
Interest income	21,529	44,949	66,478	61,826
Concession and vending	12,264	-	12,264	20,403
Commissions and miscellaneous	10,169	-	10,169	18,512
Sponsorships and donations	112,500	-	112,500	318,800
Government subsidies	254,533	-	254,533	318,800
<b>Total revenue</b>	<b>2,416,435</b>	<b>44,949</b>	<b>2,461,384</b>	<b>3,317,334</b>
<b>Overhead expenses</b>				
Advertising and promotion	54,130	-	54,130	28,658
Amortization	-	578,179	578,179	570,668
Bad debts (recovery)	9,028	-	9,028	2,325
Bank charges and interest	13,349	-	13,349	18,007
Dues and memberships	2,205	-	2,205	2,528
Insurance	96,713	-	96,713	85,386
Interest on long-term debt	-	24,368	24,368	61,670
Janitorial	31,476	-	31,476	40,975
Management wages	302,019	-	302,019	270,070
Office and general	19,280	-	19,280	20,234
Professional fees	20,372	-	20,372	11,271
Repairs, maintenance and supplies	117,397	-	117,397	156,494
Telephone	17,279	-	17,279	18,461
Training and travel	6,015	-	6,015	12,672
Utilities	296,638	-	296,638	354,179
Wages and benefits	540,773	-	540,773	689,445
<b>Total expenses</b>	<b>1,526,674</b>	<b>602,547</b>	<b>2,129,221</b>	<b>2,343,043</b>
<b>Excess (deficiency) of revenue</b>				
<b>    over expenses</b>	<b>\$ 889,761</b>	<b>\$ (557,598)</b>	<b>\$ 332,163</b>	<b>\$ 974,291</b>

See accompanying notes to the financial statements.

**SASKATOON SOCCER CENTRE INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
(with comparative figures for the year ended September 30, 2019)

	<u>2020</u>	<u>2019</u>
<b>Cash provided by (used in) operating activities:</b>		
Excess (deficiency) of revenue over expenses	\$ 332,163	\$ 974,291
Items not involving cash:		
- Amortization of capital assets	578,179	570,668
- Interest income on dedicated capital reinvestment fund	(44,949)	(37,241)
	<u>865,393</u>	<u>1,507,718</u>
Non-cash operating working capital (Note 11)	(131,132)	(98,438)
	<u>734,261</u>	<u>1,409,280</u>
<b>Cash provided by (used in) investing activities:</b>		
Purchase of tangible capital assets	(32,980)	(403,822)
Contribution to dedicated capital reinvestment fund	-	(217,392)
	<u>(32,980)</u>	<u>(621,214)</u>
<b>Cash provided by (used in) financing activities:</b>		
Proceeds from long term debt (net of forgivable portion)	30,000	-
Repayment of debenture	(618,962)	(592,561)
Repayment of mortgage	(231,370)	(221,100)
	<u>(820,332)</u>	<u>(813,661)</u>
<b>Decrease in cash</b>	(119,051)	(25,595)
<b>Cash position - beginning of year</b>	<u>1,340,662</u>	<u>1,366,257</u>
<b>Cash position - end of year</b>	<u>\$ 1,221,611</u>	<u>\$ 1,340,662</u>

See accompanying notes to the financial statements.



**SASKATOON SOCCER CENTRE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
**(with comparative figures for the year ended September 30, 2019)**

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**1. Nature of operations**

Saskatoon Soccer Centre Inc. (the "Centre") was incorporated under The Non-profit Corporations Act in the province of Saskatchewan and has tax-free status with respect to the payment of income taxes. The Centre was formed in 1993 by Saskatoon Youth Soccer Inc. and Saskatoon Adult Soccer Inc. The Centre operates and maintains its own facilities.

**2. Summary of significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. The financial statements reflect the following policies:

**Fund accounting**

The accounts of the Centre are reported on a fund basis. A fund is defined as a self-balancing accounting entity set up to show the assets held against the capital of the fund or moneys received for certain specific designated purpose(s). The funds used by the Centre are the Physical Asset and Operating Funds. The Physical Asset Fund accounts for the physical assets and associated liabilities of the Centre. The Operating Fund accounts for all of the other financial activities of the Centre.

**Financial instruments**

Financial assets and financial liabilities are recorded on the statement of financial position when the Centre becomes party to the contractual provisions of the financial instrument. The Centre initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Centre 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. 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.

The Centre's recognized financial instruments include cash, investments, accounts receivable, dedicated capital reinvestment fund, accounts payable and long-term debt.

**SASKATOON SOCCER CENTRE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
**(with comparative figures for the year ended September 30, 2019)**

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**2. Summary of significant accounting policies** (continued)

**Revenue recognition**

The Centre follows the deferral method of accounting. Rental fees, ancillary service income and grants are recognized as revenue in the year to which they relate. General donations are recorded as revenue in the year they are received. Restricted contributions to the General Fund are recognized as revenue in the year the expenses they relate to are incurred. Donations and other revenues of the Physical Asset Fund are recognized in the year they are received or receivable if the amounts can be reasonably determined and there is reasonable expectation of collection. Interest income is recorded as it is earned.

**Contributed materials and services**

Contributed materials and services are recorded at estimated fair market value. If fair values cannot be reasonably determined, such donations are not recorded in the financial statements.

**Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined on the weighted average basis.

**Tangible capital assets**

Tangible capital assets are recorded at cost less accumulated amortization except as described below. Amortization is provided on the straight-line basis over the estimated useful life of the assets at the following rates:

Computer equipment	4 years
Computer software	2 years
Facility equipment and signs	10 years
Indoor artificial turf	15 years
Kitchen and lounge furniture and equipment	10 years
Office furniture and equipment	10 years
Outdoor artificial turf	40 years
SaskTel Sports Centre	40 years
Saskatoon Kinsmen/Henk Ruys Soccer Centre	40 years

Tangible capital assets acquired during the year but not placed into use are not amortized in the year of acquisition.

All additions to tangible capital assets are subject to amortization in the first year they are available for use at a fixed amount approximating 50% of the annual rate.

**SASKATOON SOCCER CENTRE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
(with comparative figures for the year ended September 30, 2019)

**3. Investments**

Investments consist of guaranteed investment certificates (GICs) and are recorded at amortized cost.

	<u>2020</u>	<u>2019</u>
<u>Short-term investments</u>		
Affinity Credit Union, 1 year GIC, 0.9% non-cashable, matures September 8, 2021	\$ 105,405	\$ -
Affinity Credit Union, 2 year GIC, 1.35% non-cashable, matured September 6, 2020	-	104,001
	<u>\$ 105,405</u>	<u>\$ 104,001</u>
<u>Long-term investments</u>		
Affinity Credit Union, 3 year GIC, 2.50% non-cashable, matures December 6, 2021	\$ 108,772	\$ 106,119
Affinity Credit Union, 5 year GIC, 3.50% non-cashable, matures September 6, 2023	106,921	104,825
Affinity Credit Union, 5 year GIC, 3.50% non-cashable, matures September 6, 2023	106,921	104,825
Affinity Credit Union, 5 year GIC, 2.35% non-cashable, matures September 6, 2024	106,287	103,847
	<u>\$ 428,901</u>	<u>\$ 419,616</u>

**4. Accounts receivable**

	<u>2020</u>	<u>2019</u>
Team and other rental fees	\$ 104,504	\$ 210,239
City of Saskatoon	84,928	84,928
Canada Emergency Wage Subsidy	200,993	-
Allowance for doubtful accounts	(22,243)	(13,277)
	<u>\$ 368,182</u>	<u>\$ 281,890</u>

**SASKATOON SOCCER CENTRE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
(with comparative figures for the year ended September 30, 2019)

**5. Dedicated capital reinvestment fund**

The City of Saskatoon previously agreed to grant a tax abatement commencing in 2016 and ending in 2020 for the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the Saskatoon Sports Centre on the condition that Saskatoon Soccer Centre Inc. contribute funds towards a dedicated capital reinvestment fund to ensure the long-term sustainability of, and reinvestment in, the facilities which are located on Municipal Reserve. The fund is controlled and administered by the City of Saskatoon.

Contributions to the dedicated capital reinvestment fund commencing in 2016 and ending in 2020 are to be contributed according to the schedule as follows:

Year of contribution	Contribution amount
2016	\$208,950
2017	208,950
2018	213,129
2019	217,392
2020	221,740

In the current year, due to the financial impact of COVID-19, a lower \$100,000 contribution was negotiated and agreed upon with the City of Saskatoon. This contribution was made in December of 2020, and therefore is not included in these financial statements. A new tax abatement agreement has been negotiated but has not been signed or approved at this time.

**6. Tangible capital assets**

	2020		2019	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 43,097	\$ 38,560	\$ 4,537	\$ 756
Computer software	16,150	16,150	-	-
Facility equipment and signs	468,644	406,588	62,056	54,682
Indoor artificial turf	536,946	319,304	217,642	253,617
Kitchen and lounge furniture and equipment	477,411	477,411	-	-
Office furniture and equipment	93,577	82,804	10,773	12,433
Outdoor artificial turf	2,748,969	1,056,069	1,692,900	1,761,625
SaskTel Sports Centre	12,677,716	4,451,326	8,226,390	8,543,333
Saskatoon Kinsmen/Henk Ruys Soccer Centre	5,733,371	2,828,205	2,905,166	3,038,216
	<u>\$ 22,795,881</u>	<u>\$ 9,676,417</u>	<u>\$ 13,119,464</u>	<u>\$ 13,664,662</u>

**7. Credit arrangements**

The Centre has an operating line of credit with Affinity Credit Union with maximum credit available of \$500,000 bearing interest at prime, 2.45% (2019 - 3.95%). As at September 30, 2020, \$nil (2019 - \$nil) was drawn.

**SASKATOON SOCCER CENTRE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
(with comparative figures for the year ended September 30, 2019)

**8. Accounts payable**

	<u>2020</u>	<u>2019</u>
Trade payables	\$ 74,401	\$ 94,522
Accrued wages payable	2,409	8,060
Vacation payable	40,936	40,725
	<u>\$ 117,746</u>	<u>\$ 143,307</u>

**9. Long-term debt**

	<u>2020</u>	<u>2019</u>
Debenture payable to <b>City of Saskatoon</b> paid in full in the year.	\$ -	\$ 611,639
Commercial mortgage payable to <b>Affinity Credit Union</b> in one payment monthly of \$39,154 and one monthly payment of \$2,411 including interest at 3.99%. Building pledged as security with a net book value of \$3,038,216. Due November 2020.	41,401	266,844
Loan payable to <b>Affinity Credit Union</b> with no set terms of repayment and 0% interest. Loan is secured by the Government of Canada through the Canadian Emergency Business Account (CEBA) program. Up to \$10,000 of the loan will be forgiven if the remaining amount is repaid by December 31st, 2022. This \$10,000 forgivable portion has been included in income in the year.	30,000	-
	<u>71,401</u>	<u>878,483</u>
Current portion due within one year	41,401	836,939
	<u>\$ 30,000</u>	<u>\$ 41,544</u>

The estimated principal repayments due in each of the next two years are as follows:

2021	\$ 41,401
2022	30,000

**SASKATOON SOCCER CENTRE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
(with comparative figures for the year ended September 30, 2019)

**10. Commitments**

The Centre has entered into a lease agreement with the City of Saskatoon for municipal reserve lands on which the Saskatoon Kinsmen/Henk Ruys and The SaskTel Sports Centre soccer facilities are located. The lease term for each facility is 40 years with an annual rent of \$1 to 2038 and 2044 respectively.

**11. Non-cash operating working capital**

Details of net change in each element of working capital relating to operations excluding cash are as follows:

	<u>2020</u>	<u>2019</u>
<b>(Increase) decrease in current assets:</b>		
Investments	\$ (10,690)	\$ (7,982)
Accounts receivable	(86,292)	(119,363)
Inventory	(3,404)	(4,493)
Prepaid expenses and deposits	(812)	(7,597)
	<u>(101,198)</u>	<u>(139,435)</u>
<b>Increase (decrease) in current liabilities:</b>		
Accounts payable	(12,311)	31,450
Government remittances payable	(4,894)	617
Deferred revenue	(12,729)	8,930
	<u>(29,934)</u>	<u>40,997</u>
	<u>\$ (131,132)</u>	<u>\$ (98,438)</u>

**12. Financial risk management**

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 one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk on the accounts receivable from its customers, however, does not have a significant exposure to any individual customer or counterpart. In order to reduce its credit risk, the Organization has adopted credit policies, which include the review of a new customer's credit history and financial position before extending credit and conducting regular reviews of its existing customers' credit performances. The Organization incurred insignificant bad debt expense during the past three years. As at September 30, 2020, more than 50% of accounts receivable is attributed to an accrued receivable of the Canada Emergency Wage Subsidy.

**SASKATOON SOCCER CENTRE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
**(with comparative figures for the year ended September 30, 2019)**

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**12. Financial risk management** (continued)

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization's exposure to interest rate risk is limited to the line of credit and mortgage payable. The interest rate on this debt is variable; therefore, the Organization may face increasing interest costs in an increasing interest rate market. All other credit facilities have fixed interest rates and therefore, do not expose the Organization to additional risk.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's exposure to liquidity risk is dependent on the receipt of funds from its operations, external borrowings and other related sources. Funds from these sources are primarily used to finance working capital and capital expenditure requirements, and are considered adequate to meet the Organization's financial obligations.

**13. Significant events**

On March 11, 2020, the World Health Organization declared a global pandemic for the COVID-19 virus. The Organization is following health advisories and mandatory requirements from local, provincial and national health and government organizations.

On November 27, 2020, the Government of Saskatchewan declared a public health order to discontinue sports or activities where one or more individuals compete against one or more other individuals ("team sports", such as hockey, football, soccer, or basketball). As a significant portion of the Centre's income is derived from rental revenue relating to the practice of these "team sports", the financial impact of this public health order could be substantial. The duration of this public health order is ongoing, as such, the financial impact on the Organization is unknown, but may be significant.

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