



November 4, 2021

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

Dear SSCI Member Representatives,

Please find attached the 2019/20 Audited Financial Statements of Saskatoon Soccer Centre Inc. The intention of this correspondence is to clarify items contained within the statements, as well as expand on the financial position of SSCI as an organization.

Within the Audited Statements for the year ending September 30, 2020, the Statement of Operations indicates that the excess of revenue over expenses for 2020 was \$332,163, down considerably from the \$974,291 in 2019. 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 (\$24,368 and \$61,670 for 2020 and 2019 respectively). A large portion of these mortgage and debenture payments are principal, and therefore not recognized as an expense. In 2018/19 the total cash outlay for mortgage and debenture payments (mostly principal) totalled \$875,331; and \$850,332 in 2019/20.

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 over \$621,214 in 2018/19 and \$32,980 in 2019/20, with a reduced \$100,000 Fund contribution for 2020 deferred past year end.

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 \$119,051 for 2019/20, preceded by a decrease of \$25,595 in 2018/19. This decrease is the result of an over 60% reduction in utilization (including an over 92% reduction in turf use in the summer of 2020); a significant reduction in Member rental rates; major investments in the purchase of equipment in order for athletes to be able to play safely; cleaning and disinfecting supplies; and additional staff resources relating to the various COVID policies, procedures and precautions. We were also impacted by the requirement of a 15 minute buffer of time between each game and rental group, and lost revenue from renters and leases, advertisers and sponsors.

We continue to invest heavily in our facilities beyond the regular required maintenance, and invested \$403,822 in 2018/19 and \$32,980 in 2019/20 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. Additional major 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

...2

November 4, 2021

Page 2

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. SSCI also recently partnered with Saskatoon Pickleball Inc. to undertake a major flooring upgrade project on Uptown Orthodontics Field to the benefit of our members and user groups. We also continue to look to and plan for the future. We will be required to replace the outdoor turf and lights in the near future at an anticipated cost of \$1.25 million, and replacement of the indoor turf will follow soon after for an additional \$500,000.

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 early, saving our organization a significant amount in interest payments. We also made our last debenture payment in the summer of 2020. However, we are now required by the City of Saskatoon to increase our annual contributions to the Dedicated Capital Reserve Trust by at least \$400,000 each year, in addition to our regular payments, until the fund is fully capitalized.

The challenges of COVID-19 have had a significant impact on our financial position. Faced with a full facility closure in March 2020, our cash reserves and access to government grants allowed us to continue operations until we were able to reopen, albeit on a very reduced scale. We offered a 20% reduction in our Member league rental fees for the 2020/21 indoor season to help support our sport and ensure an opportunity for players to resume league play, but we continue to experience ongoing expenses as a result of the pandemic. This year we are faced with the added expense of hiring Commissionaires to enforce the Proof of Vaccination policy implemented to keep our leagues operating safely. While we remain financially viable by virtue of operational cutbacks where possible, government grants when applicable, and our reserves, we are now focused on rebuilding those reserves to continue our investments in the facilities to the benefit of our Members – with regular turf replacements being a top priority.

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. 2019/20 Audited Financial Statements