

**SASKATOON YOUTH SOCCER INC.**

**FINANCIAL STATEMENTS**

**JULY 31, 2019**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **Saskatoon Youth Soccer 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.

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**Mark Millard**  
**President**



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**Amanda Probe**  
**Executive Director**



## INDEPENDENT AUDITORS' REPORT

**To the Members  
Saskatoon Youth Soccer Inc.**

### *Opinion*

We have audited the financial statements of **Saskatoon Youth Soccer Inc.**, which comprise the statement of financial position as at July 31, 2019, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at July 31, 2019, 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.

October 23, 2019  
Saskatoon, Saskatchewan

*Virtus Group LLP*  
Chartered Professional Accountants

**SASKATOON YOUTH SOCCER INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JULY 31, 2019**  
**(with comparative figures for 2018)**

<b>ASSETS</b>		<b>2019</b>	<b>2018</b>
<b>Current assets</b>			
Cash	\$	60,597	\$ 40,248
Restricted cash		41,543	53,249
Investments (Note 3)		551,559	614,255
Accounts receivable (Note 4)		40,656	47,820
 <b>Tangible capital assets (Note 5)</b>			
		-	-
	\$	694,355	\$ 755,572
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	\$	63,757	\$ 45,934
 <b>Referee development fund (Note 6)</b>			
		41,543	53,249
		105,300	99,183
<b>NET ASSETS</b>			
<b>Internally restricted (Note 7)</b>		461,490	461,490
<b>Unrestricted</b>		127,565	194,899
		589,055	656,389
	\$	694,355	\$ 755,572

See accompanying notes to the financial statements.

**APPROVED BY:**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**SASKATOON YOUTH SOCCER INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JULY 31, 2019**  
**(with comparative figures for the year ended July 31, 2018)**

	Unrestricted	Internally Restricted	2019 Total	2018 Total
<b>Balance - beginning of year</b>	\$ 194,899	\$ 461,490	\$ 656,389	\$ 759,710
<b>Deficiency of revenue over expenses</b>	(67,334)	-	(67,334)	(103,321)
<b>Balance - end of year</b>	\$ 127,565	\$ 461,490	\$ 589,055	\$ 656,389

See accompanying notes to the financial statements.

**SASKATOON YOUTH SOCCER INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED JULY 31, 2019**  
(with comparative figures for the year ended July 31, 2018)

	(Note 10) <u>Budget</u> <u>2020</u>	(Note 10) <u>Budget</u> <u>2019</u>	<u>Actual</u> <u>2019</u>	<u>Actual</u> <u>2018</u>
<b>Revenue</b>				
<b>Sport programming:</b>				
Indoor league	\$ 735,195	\$ 757,820	\$ 783,411	\$ 702,952
Indoor sponsors and grants	285,100	258,100	283,905	260,598
Outdoor league	269,925	285,321	256,417	285,252
Mini tournaments	37,800	34,300	38,470	35,510
Youth tournaments	73,000	84,750	70,572	79,840
Provincials	23,000	19,500	17,136	22,716
Coach and player development	21,570	17,905	19,308	18,491
<b>Marketing and promotion:</b>				
Soccer kids in the park	29,500	26,500	28,750	18,000
Parent tot soccer	5,200	3,150	5,056	2,540
<b>Management:</b>				
Banking and ID cards	11,950	13,950	15,218	14,878
	<u>1,492,240</u>	<u>1,501,296</u>	<u>1,518,243</u>	<u>1,440,777</u>
<b>Expenses</b>				
<b>Sport programming:</b>				
Indoor program	751,958	787,993	797,140	729,845
Indoor SSA registration fee	77,294	76,884	76,874	66,820
Outdoor program	122,727	113,330	87,279	116,924
Outdoor SSA registration fee	105,072	104,054	107,456	104,276
Mini tournaments	24,600	28,300	29,528	27,150
Youth tournaments	55,380	62,356	50,171	59,270
Provincials	21,625	16,425	14,291	22,108
Coach and player development	76,200	74,700	50,521	54,645
National team funding	6,000	6,000	2,500	2,500
<b>Marketing and promotion:</b>				
Soccer kids in the park	24,930	24,930	27,532	24,569
Parent tot soccer	2,600	1,200	2,664	1,671
Advertising and appreciation	39,308	36,718	38,755	41,463
<b>Organizational development and governance:</b>				
Meetings, memberships, and board	2,915	29,815	23,503	26,221
<b>Management:</b>				
Office and administrative	38,251	37,038	37,104	39,867
Organizational support and wages	256,320	238,702	240,259	226,769
	<u>1,605,180</u>	<u>1,638,445</u>	<u>1,585,577</u>	<u>1,544,098</u>
<b>Deficiency of revenue over expenses</b>	<u>\$ (112,940)</u>	<u>\$ (137,149)</u>	<u>\$ (67,334)</u>	<u>\$ (103,321)</u>

See accompanying notes to the financial statements.

**SASKATOON YOUTH SOCCER INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JULY 31, 2019**  
(with comparative figures for the year ended July 31, 2018)

	<u>2019</u>	<u>2018</u>
<b>Cash provided by (used in) operating activities:</b>		
Deficiency of revenue over expenses	\$ (67,334)	\$ (103,321)
Non-cash operating working capital (Note 8)	24,987	17,124
	<u>(42,347)</u>	<u>(86,197)</u>
<b>Cash provided by (used in) investing activities:</b>		
Additions to investments	(862,283)	(350,000)
Proceeds on disposal of investments	924,979	457,918
	<u>62,696</u>	<u>107,918</u>
<b>Increase in cash</b>	20,349	21,721
<b>Cash position - beginning of year</b>	<u>40,248</u>	<u>18,527</u>
<b>Cash position - end of year</b>	<u>\$ 60,597</u>	<u>\$ 40,248</u>

See accompanying notes to the financial statements.



**SASKATOON YOUTH SOCCER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2019**  
**(with comparative figures for the year ended July 31, 2018)**

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**1. Nature of operations**

Saskatoon Youth Soccer Inc. (the "Organization") was incorporated under the *Non-Profit Corporations Act of Saskatchewan* in the province of Saskatchewan. The Organization was formed to manage soccer operations for youth in the City of Saskatoon in accordance with the Saskatchewan Soccer Association (SSA), Canadian Soccer Association (CSA), and the Fédération Internationale de Football Association (FIFA).

The Organization is not taxable for income tax purposes under section 149 of the Income Tax Act.

**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:

**Financial instruments**

Financial assets and financial liabilities are recorded on the statement of financial position when the Organization becomes party to the contractual provisions of the financial instrument. The Organization 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 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 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 Organization's recognized financial instruments include cash, investments, accounts receivable, accounts payable and accrued liabilities, and referee development fund.

**Investments**

Investments consist of term deposits and Guaranteed Investment Certificates (GICs). The Organization carries investments at fair market value.

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**SASKATOON YOUTH SOCCER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2019**  
(with comparative figures for the year ended July 31, 2018)

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

**Tangible capital assets**

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided on the diminishing balance basis over the estimated useful life of the assets at the following annual rates:

Computer equipment	30 %
Furniture, fixtures, and soccer equipment	20 %

In the year of acquisition, amortization is provided at one-half the annual rate.

**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.

**Contributed materials and services**

Contributed materials and services are not recognized in the financial statements.

**3. Investments**

	<u>2019</u>	<u>2018</u>
Affinity Credit Union, 1 year GIC, 1.25%, maturing June 17, 2020	\$ 301,514	\$ -
Affinity Credit Union, 1 year GIC, 1.1%, maturing July 25, 2020	250,045	-
Affinity Credit Union, 1 year GIC, 2.00%, maturing June 20, 2019	-	261,672
Affinity Credit Union, 1 year GIC, 2.00%, maturing January 24, 2019	-	252,575
Affinity Credit Union, 1 year term deposit, 0.75%, maturing July 27, 2019	-	100,008
	<u>\$ 551,559</u>	<u>\$ 614,255</u>

**SASKATOON YOUTH SOCCER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2019**  
(with comparative figures for the year ended July 31, 2018)

**4. Accounts receivable**

	<u>2019</u>	<u>2018</u>
League, tournament fees, and other	\$ 4,403	\$ 5,001
SSA MAP, KIP, and other grants	36,253	42,819
	<u>\$ 40,656</u>	<u>\$ 47,820</u>

**5. Tangible capital assets**

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 11,182	\$ 11,182	\$ -	\$ -
Furniture, fixtures, and soccer equipment	44,914	44,914	-	-
	<u>\$ 56,096</u>	<u>\$ 56,096</u>	<u>\$ -</u>	<u>\$ -</u>

**6. Referee Development Fund**

The Referee Development Fund is collected from Saskatoon Adult Soccer Inc. (SASI) and Saskatoon Youth Soccer Inc. (SYSI) teams for the purpose of referee development and recruitment. A grant application process for administering these funds is in place and an adjudication committee reviews the applications. Both SASI and SYSI Boards have final approval on any recommendations from the adjudication committee and SYSI administers the funds once they are approved by both SASI and SYSI Boards. The Referee Development Funds collected or released are not reflected on SYSI's statement of operations.

	<u>2019</u>	<u>2018</u>
Balance at beginning of the year	\$ 53,249	\$ 54,937
Receipts during the year	3,294	3,220
Disbursements during the year	(15,000)	(4,908)
	<u>\$ 41,543</u>	<u>\$ 53,249</u>

**7. Internally restricted net assets**

The objective of the internally restricted net assets is to enable the Organization to sustain operations through delays in payments of committed funding and to create a pool of funds that are available in the event of unexpected revenue shortfalls or unforeseen expenses. The funds may be used for only the above stated purposes and are restricted to be between 20% and 30% of the average of the last two years' operating expenses.

**SASKATOON YOUTH SOCCER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2019**  
**(with comparative figures for the year ended July 31, 2018)**

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

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

	<u>2019</u>	<u>2018</u>
<b>(Increase) decrease in current assets:</b>		
Accounts receivable	\$ 7,164	\$ (437)
<b>Increase (decrease) in current liabilities:</b>		
Accounts payable and accrued liabilities	17,823	17,561
	\$ 24,987	\$ 17,124

**9. 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 and sponsors. As at July 31, 2019, 71% of accounts receivable is attributed to one sponsor.

**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 mitigated as its investments are limited to short-term fixed rate investments.

**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, use of reserves, external borrowings and other related sources. Funds from these sources are primarily used to finance working capital requirements, and are considered adequate to meet the Organization's financial obligations.

**10. Budget figures**

The budget figures are provided for informational purposes only and have neither been reviewed nor audited.

**11. Comparative figures**

Certain comparative figures have been reclassified to conform with the presentation in the current year.