

**SASKATOON YOUTH SOCCER INC.**

**FINANCIAL STATEMENTS**

**JULY 31, 2021**



## INDEPENDENT AUDITORS' REPORT

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

### *Opinion*

We have audited the financial statements of **Saskatoon Youth Soccer Inc.** (the "Organization"), which comprise the statement of financial position as at July 31, 2021, 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, 2021, 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 18, 2021  
Saskatoon, Saskatchewan

*Virtus Group LLP*  
Chartered Professional Accountants

**SASKATOON YOUTH SOCCER INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JULY 31, 2021**  
**(with comparative figures for 2020)**

<b>ASSETS</b>		<b>2021</b>	<b>2020</b>
<b>Current assets</b>			
Cash	\$	-	\$ 2,692
Restricted cash (Note 6)		44,425	43,733
Investments (Note 3)		648,585	506,699
Accounts receivable (Note 4)		37,600	47,561
Accounts receivable - other government grants		-	61,762
		730,610	662,447
<b>Tangible capital assets (Note 5)</b>		28,970	19,393
		\$ 759,580	\$ 681,840
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Bank indebtedness	\$	14,099	\$ -
Accounts payable and accrued liabilities		58,399	38,622
Deferred revenue		5,000	8,500
		77,498	47,122
<b>Referee development fund (Note 6)</b>		44,425	43,733
<b>Zone MOU alliance pathway bond deposit (Note 7)</b>		5,000	-
<b>Long-term debt (Note 8)</b>		40,000	-
		166,923	90,855
<b>NET ASSETS</b>			
<b>Internally restricted (Note 9)</b>		331,000	425,000
<b>Unrestricted</b>		261,657	165,985
		592,657	590,985
		\$ 759,580	\$ 681,840

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, 2021**  
(with comparative figures for the year ended July 31, 2020)

	Unrestricted	Internally Restricted	2021 Total	2020 Total
<b>Balance - beginning of year</b>	\$ 165,985	\$ 425,000	\$ 590,985	\$ 589,055
<b>Excess of revenue over expenses</b>	1,672	-	1,672	1,930
<b>Transfer between funds (Note 9)</b>	94,000	(94,000)	-	-
<b>Balance - end of year</b>	<u>\$ 261,657</u>	<u>\$ 331,000</u>	<u>\$ 592,657</u>	<u>\$ 590,985</u>

See accompanying notes to the financial statements.

**SASKATOON YOUTH SOCCER INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED JULY 31, 2021**  
(with comparative figures for the year ended July 31, 2020)

	(Note 13) <b>Budget</b> <b>2022</b>	(Note 13) <b>Budget</b> <b>2021</b>	<b>Actual</b> <b>2021</b>	<b>Actual</b> <b>2020</b>
<b>Revenue</b>				
<b>Sport programming:</b>				
Indoor league	\$ 879,680	\$ 731,603	\$ 380,165	\$ 735,635
Indoor sponsors and grants	239,100	281,100	194,832	304,047
Outdoor league	260,771	264,036	140,067	22,814
Mini tournaments	42,100	35,850	-	-
Youth tournaments	71,000	70,325	-	70,665
Provincials	16,000	16,000	-	22,680
Coach and player development	213,868	33,245	39,017	13,891
<b>Marketing and promotion:</b>				
Soccer kids in the park	22,500	22,500	20,500	11,000
Parent tot soccer	8,300	9,300	-	2,834
<b>Management:</b>				
Banking and ID cards	5,000	7,500	3,539	9,099
Other government grants (Note 10)	-	-	169,418	71,762
	<u>1,758,319</u>	<u>1,471,459</u>	<u>947,538</u>	<u>1,264,427</u>
<b>Expenses</b>				
<b>Sport programming:</b>				
Indoor program	814,275	734,967	359,521	721,366
Indoor SSA registration fee	82,836	81,844	56,016	77,684
Outdoor program	82,713	83,460	55,924	2,220
Outdoor SSA registration fee	109,844	131,714	36,011	8,465
Mini tournaments	24,600	25,000	-	2,056
Youth tournaments	57,619	56,445	-	56,464
Provincials	14,925	14,775	-	19,758
Coach and player development	195,720	90,510	97,134	52,189
National team funding	6,000	2,500	-	-
<b>Marketing and promotion:</b>				
Soccer kids in the park	24,400	23,800	19,699	10,059
Parent tot soccer	5,800	5,800	-	1,312
Advertising and appreciation	34,276	34,276	23,867	29,153
<b>Organizational development and governance:</b>				
Meetings, memberships, and board	2,665	12,815	1,811	2,153
<b>Management:</b>				
Office and administrative	44,347	36,393	40,375	33,692
Organizational support and wages	280,635	253,250	255,508	245,926
	<u>1,780,655</u>	<u>1,587,549</u>	<u>945,866</u>	<u>1,262,497</u>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (22,336)</b>	<b>\$ (116,090)</b>	<b>\$ 1,672</b>	<b>\$ 1,930</b>

See accompanying notes to the financial statements.

**SASKATOON YOUTH SOCCER INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JULY 31, 2021**  
(with comparative figures for the year ended July 31, 2020)

	<u>2021</u>	<u>2020</u>
<b>Cash provided by (used in) operating activities:</b>		
Excess of revenue over expenses	\$ 1,672	\$ 1,930
Items not involving cash:		
- Amortization	5,374	2,155
	<u>7,046</u>	<u>4,085</u>
Non-cash operating working capital (Note 11)	88,000	(85,302)
	<u>95,046</u>	<u>(81,217)</u>
<b>Cash provided by (used in) investing activities:</b>		
Additions to investments	(648,585)	(506,699)
Proceeds on disposal of investments	506,697	551,559
Additions to tangible capital assets	(14,949)	(21,548)
Additions to restricted cash	(692)	-
	<u>(157,529)</u>	<u>23,312</u>
<b>Cash provided by (used in) financing activities:</b>		
Increase in referee development fund	692	-
Proceeds from Zone MOU alliance pathway bond (Note 7)	5,000	-
CEBA loan proceeds, net of \$20,000 income inclusion (Note 8)	40,000	-
	<u>45,692</u>	<u>-</u>
<b>Decrease in cash</b>	(16,791)	(57,905)
<b>Cash position - beginning of year</b>	<u>2,692</u>	<u>60,597</u>
<b>Bank indebtedness - end of year</b>	<u>\$ (14,099)</u>	<u>\$ 2,692</u>
<b>Cash (bank indebtedness) consists of:</b>		
Cash	\$ -	\$ 2,692
Restricted cash exceeding cash holdings	(14,099)	-
	<u>\$ (14,099)</u>	<u>\$ 2,692</u>

See accompanying notes to the financial statements.

**SASKATOON YOUTH SOCCER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2021**  
**(with comparative figures for the year ended July 31, 2020)**

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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 the results of operations 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 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 Organization's recognized financial instruments include cash, restricted cash, investments, accounts receivable, accounts payable and accrued liabilities, referee development fund, zone MOU alliance pathway bond, and long-term debt.

**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, 2021**  
**(with comparative figures for the year ended July 31, 2020)**

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**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.

The Organization recognizes subsidies and grants received from various government programs as revenue in the period earned after all necessary applications have been completed and collection is reasonably assured. If the grant or subsidy arose as a result of incurring certain expenses, the corresponding grant or subsidy revenue will be reported in the same period as the expenses. These amounts may be subject to review by Canada Revenue Agency or other government agencies. Any differences between the amounts recorded in the financial statements and the amounts received will be recognized in income in the period in which new information becomes known.

**Contributed materials and services**

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

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**SASKATOON YOUTH SOCCER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2021**  
(with comparative figures for the year ended July 31, 2020)

**3. Investments**

	<u>2021</u>	<u>2020</u>
Affinity Credit Union, 1-year GIC, 0.35%, maturing July 16, 2022	\$ 100,014	\$ -
Affinity Credit Union, 1-year GIC, 0.75%, maturing October 14, 2021	256,954	-
Affinity Credit Union, 1-year term deposit, 0.75%, maturing April 12, 2022	291,617	-
Affinity Credit Union, 1-year term deposit, 1.10%, matured December 23, 2020	-	201,600
Affinity Credit Union, 1-year term deposit, 0.75%, matured June 17, 2021	-	305,099
	<u>\$ 648,585</u>	<u>\$ 506,699</u>

**4. Accounts receivable**

	<u>2021</u>	<u>2020</u>
League, tournament fees, and other	\$ 976	\$ 8,998
SSA MAP, KIP, and other grants	36,624	38,563
	<u>\$ 37,600</u>	<u>\$ 47,561</u>

**5. Tangible capital assets**

	<u>2021</u>		<u>2020</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	81,412	52,442	28,970	19,393
	<u>\$ 92,594</u>	<u>\$ 63,624</u>	<u>\$ 28,970</u>	<u>\$ 19,393</u>

**SASKATOON YOUTH SOCCER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2021**  
(with comparative figures for the year ended July 31, 2020)

**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>2021</u>	<u>2020</u>
Balance at beginning of the year	\$ 43,733	\$ 41,543
Receipts during the year	692	2,190
	<hr/>	<hr/>
Balance at end of the year	<u>\$ 44,425</u>	<u>\$ 43,733</u>

**7. Zone MOU alliance pathway bond deposit**

During the year, payment totaling \$5,000 was collected from five member Zones in receipt of their agreement to a memorandum of understanding for the Organization to work collectively with the Zones to form an academy which would serve players from all Zones. The memorandum of understanding is for five years, and upon expiration the bond deposit will either be renewed or refunded.

**8. Long-term debt**

CEBA loan payable to Affinity Credit Union. Under the terms of the CEBA program, the Organization received proceeds of \$60,000, of which \$20,000 is forgiven if the remaining \$40,000 is repaid prior to or by the due date. For this reason, \$20,000 of this loan has been recognized as income in the current year. Loan is unsecured, and due December 31, 2022.

	<u>2021</u>	<u>2020</u>
	\$ 40,000	\$ -
	<hr/>	<hr/>
	<u>\$ 40,000</u>	<u>\$ -</u>

**SASKATOON YOUTH SOCCER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2021**  
(with comparative figures for the year ended July 31, 2020)

**9. 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. The Board approved a transfer of \$94,000 from internally restricted net assets to unrestricted net assets (2020 - \$36,490 from internally restricted net assets to unrestricted net assets).

**10. Other government grants**

During the year, the Organization received the following government grant subsidies:

Canada Emergency Wage Subsidy (CEWS) totaling \$119,471 (2020 - \$61,762) was recognized as revenue with respect to qualifying wages within the year. This subsidy is not expected to be repaid.

Canada Emergency Rent Subsidy (CERS) totaling \$4,947 (2020 - \$nil) was recognized as revenue with respect to qualifying wages within the year. This subsidy is not expected to be repaid.

Saskatchewan Small Business Emergency Payment Program totaling \$25,000 (2020 - \$10,000) was recognized as revenue with respect to curtailment of operations as a result of the public health order to help control transmission of COVID-19. This program payment is not expected to be repaid.

Canada Emergency Business Account (CEBA) loan was received to assist with non-deferrable expenses for businesses impacted by COVID-19. The terms of the CEBA specify that up to 33% of the loan will be forgiven provided that the remaining portion is repaid by December 31, 2022. In the current year, \$20,000 (2020 - \$nil) has been recognized as revenue from the forgivable portion of the loan received as the Organization anticipates repaying the CEBA loan within the specified time frame.

**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>2021</u>	<u>2020</u>
<b>(Increase) decrease in current assets:</b>		
Accounts receivable	\$ 9,961	\$ (6,905)
Other government receivables	61,762	(61,762)
	71,723	(68,667)
<b>Increase (decrease) in current liabilities:</b>		
Accounts payable and accrued liabilities	19,777	(25,135)
Deferred revenue	(3,500)	8,500
	16,277	(16,635)
	\$ 88,000	\$ (85,302)

**SASKATOON YOUTH SOCCER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2021**  
**(with comparative figures for the year ended July 31, 2020)**

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**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 and sponsors. As at July 31, 2021, 0% (2020 - 56%) of accounts receivable is attributed to an accrued receivable related to the Canada Employment Wage Subsidy.

**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.

**13. Budget figures**

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

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