

SASKATOON YOUTH SOCCER INC.

FINANCIAL STATEMENTS

JULY 31, 2023



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, 2023, 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, 2023, 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.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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.

INDEPENDENT AUDITORS' REPORT continued

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.

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 24, 2023
Saskatoon, Saskatchewan

Virtus Group LLP
Chartered Professional Accountants

SASKATOON YOUTH SOCCER INC.
STATEMENT OF FINANCIAL POSITION
AS AT JULY 31, 2023
(with comparative figures for 2022)

ASSETS		2023	2022
Current assets			
Cash	\$	178,596	\$ -
Restricted cash (Note 6)		42,667	46,755
Investments (Note 3)		607,136	697,154
Accounts receivable (Note 4)		45,039	50,877
Prepaid expenses		13,632	11,034
		887,070	805,820
Tangible capital assets (Note 5)		18,541	23,176
		\$ 905,611	\$ 828,996
LIABILITIES			
Current liabilities			
Bank indebtedness	\$	-	\$ 25,505
Accounts payable and accrued liabilities		115,999	76,777
Deferred revenue		12,827	17,774
Current portion of long-term debt (Note 8)		40,000	-
		168,826	120,056
Referee development fund (Note 6)		42,667	46,755
Zone MOU alliance pathway bond deposit (Note 7)		5,000	5,000
Long-term debt (Note 8)		-	40,000
		216,493	211,811
NET ASSETS			
Internally restricted (Note 9)		331,000	331,000
Unrestricted		358,118	286,185
		689,118	617,185
		\$ 905,611	\$ 828,996

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, 2023
(with comparative figures for the year ended July 31, 2022)

	Unrestricted	Internally Restricted	2023 Total	2022 Total
Balance - beginning of year	\$ 286,185	\$ 331,000	\$ 617,185	\$ 592,657
Excess of revenue over expenses	71,933	-	71,933	24,528
Balance - end of year	<u>\$ 358,118</u>	<u>\$ 331,000</u>	<u>\$ 689,118</u>	<u>\$ 617,185</u>

See accompanying notes to the financial statements.

SASKATOON YOUTH SOCCER INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JULY 31, 2023
(with comparative figures for the year ended July 31, 2022)

	(Note 12) Budget 2024		(Note 12) Budget 2023		Actual 2023		Actual 2022
Revenue							
Sport programming:							
Indoor league	\$ 816,785	\$	726,993	\$	823,328	\$	689,075
Indoor sponsors and grants	260,200		260,000		261,205		274,485
Outdoor league	314,835		235,745		290,520		222,602
Mini tournaments	55,730		33,944		47,295		34,460
Youth tournaments	-		72,000		-		-
Provincials	-		21,500		23,761		12,922
Coach and player development	22,065		18,795		18,535		15,875
Alliance Academy & PSL	232,500		147,470		229,452		165,550
Marketing and promotion:							
Soccer kids in the park	28,000		19,000		28,000		16,500
Parent tot soccer	12,000		10,000		11,470		-
Management:							
Banking and ID cards	25,800		5,500		25,682		6,721
	<u>1,767,915</u>		<u>1,550,947</u>		<u>1,759,248</u>		<u>1,438,190</u>
Expenses							
Sport programming:							
Indoor program	737,439		652,760		777,610		662,361
Indoor SSA registration fee	68,188		64,514		80,526		62,152
Outdoor program	103,856		81,516		75,243		67,667
Outdoor SSA registration fee	128,059		81,000		102,530		89,406
Mini tournaments	27,148		29,800		26,633		17,584
Youth tournaments	-		59,287		100		183
Provincials	-		18,825		22,840		7,852
Coach and player development	8,200		12,500		7,188		8,405
Alliance Academy & PSL	190,700		125,560		179,907		132,422
Zone funding	20,000		10,700		11,823		6,275
National team funding	6,000		6,000		3,765		6,000
Marketing and promotion:							
Soccer kids in the park	28,900		22,560		27,516		19,331
Parent tot soccer	6,300		9,500		4,959		-
Advertising and appreciation	35,400		32,276		29,507		23,812
Organizational development and governance:							
Meetings, memberships, and board	3,555		3,275		3,297		1,890
Management:							
Office and administrative	46,711		45,470		46,421		43,488
Organizational support and wages	362,960		296,948		287,450		264,834
	<u>1,773,416</u>		<u>1,552,491</u>		<u>1,687,315</u>		<u>1,413,662</u>
Excess (deficiency) of revenue over expenses	\$ (5,501)	\$	(1,544)	\$	71,933	\$	24,528

See accompanying notes to the financial statements.

SASKATOON YOUTH SOCCER INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2023
(with comparative figures for the year ended July 31, 2022)

	<u>2023</u>	<u>2022</u>
Cash provided by (used in) operating activities:		
Excess of revenue over expenses	\$ 71,933	\$ 24,528
Items not involving cash:		
- Amortization	4,635	5,794
	76,568	30,322
Non-cash operating working capital (Note 10)	37,515	6,841
	114,083	37,163
Cash provided by (used in) investing activities:		
Additions to investments	(517,742)	(406,212)
Proceeds on disposal of investments	607,760	357,643
Decrease (increase) in restricted cash	4,088	(2,330)
	94,106	(50,899)
Cash provided by (used in) financing activities:		
Increase (decrease) in referee development fund	(4,088)	2,330
	204,101	(11,406)
Increase (decrease) in cash		
Cash (bank indebtedness) - beginning of year	(25,505)	(14,099)
Cash (bank indebtedness) - end of year	\$ 178,596	\$ (25,505)

See accompanying notes to the financial statements.

SASKATOON YOUTH SOCCER INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2023
(with comparative figures for the year ended July 31, 2022)

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.

SASKATOON YOUTH SOCCER INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2023
(with comparative figures for the year ended July 31, 2022)

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>2023</u>	<u>2022</u>
Affinity Credit Union, 1-year term deposit, 3.55%, maturing January 03, 2024	\$ 103,839	\$ -
Affinity Credit Union, 1-year term GIC, 5.05%, maturing January 09, 2024	301,743	-
Affinity Credit Union, 2-year term GIC, 3.05%, maturing April 29, 2024	201,554	201,554
Affinity Credit Union, 270-364 day GIC, 2.0%, matured January 07, 2023	-	294,912
Affinity Credit Union, 1-year term deposit, 1.35%, matured April 29, 2023	-	200,688
	<u>\$ 607,136</u>	<u>\$ 697,154</u>

SASKATOON YOUTH SOCCER INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2023
(with comparative figures for the year ended July 31, 2022)

4. Accounts receivable

	<u>2023</u>	<u>2022</u>
League, tournament fees, and other	\$ 3,287	\$ 3,252
SSA MAP, KIP, and other grants	41,752	47,625
	<u>\$ 45,039</u>	<u>\$ 50,877</u>

5. Tangible capital assets

	<u>2023</u>		<u>2022</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	62,871	18,541	23,176
	<u>\$ 92,594</u>	<u>\$ 74,053</u>	<u>\$ 18,541</u>	<u>\$ 23,176</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>2023</u>	<u>2022</u>
Balance at beginning of the year	\$ 46,755	\$ 44,425
Receipts during the year	2,849	2,330
Disbursements during the year	(6,937)	-
	<u>\$ 42,667</u>	<u>\$ 46,755</u>

SASKATOON YOUTH SOCCER INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2023
(with comparative figures for the year ended July 31, 2022)

7. Zone MOU alliance pathway bond deposit

During a prior 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 in January of 2026, the bond deposit will either be renewed or refunded.

8. Long-term debt

	<u>2023</u>	<u>2022</u>
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 a prior year. Loan is unsecured, and due January 18, 2024.	\$ 40,000	\$ 40,000
Current portion due within one year	40,000	-
	\$ -	\$ 40,000

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. No transfer was made in the current year from internally restricted net assets to unrestricted net assets (2022 - no transfer made).

SASKATOON YOUTH SOCCER INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2023
(with comparative figures for the year ended July 31, 2022)

10. Non-cash operating working capital

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

	<u>2023</u>	<u>2022</u>
(Increase) decrease in current assets:		
Accounts receivable	\$ 5,838	\$ (13,277)
Prepaid expenses	(2,598)	(11,034)
	3,240	(24,311)
Increase (decrease) in current liabilities:		
Accounts payable and accrued liabilities	39,222	18,378
Deferred revenue	(4,947)	12,774
	34,275	31,152
	\$ 37,515	\$ 6,841

11. 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.

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.

12. Budget figures

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