

**SASKATOON SOCCER CENTRE INC.**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

## **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 has 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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**Jodi Blackwell**  
**Chief Executive Officer**

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**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, 2023, 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, 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.

### *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 20, 2024  
Saskatoon, Saskatchewan

*Virtus Group LLP*  
Chartered Professional Accountants

**SASKATOON SOCCER CENTRE INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2023**  
**(with comparative figures for 2022)**

<b><u>ASSETS</u></b>				
	<b>Operating Fund</b>	<b>Physical Asset Fund</b>	<b>2023 Total</b>	<b>2022 Total</b>
<b>Current assets</b>				
Cash	\$ 631,116	\$ 122,600	\$ 753,716	\$ 1,061,256
Investments (Note 3)	725,388	-	725,388	337,118
Accounts receivable (Note 4)	321,206	-	321,206	350,191
Inventory	18,019	-	18,019	19,047
Prepaid expenses and deposits	979	-	979	6,933
	1,696,708	122,600	1,819,308	1,774,545
<b>Investments (Note 3)</b>	355,867	-	355,867	223,527
<b>Dedicated Capital Reinvestment (Note 5)</b>	-	3,645,366	3,645,366	2,813,017
<b>Tangible capital assets (Note 6)</b>	-	11,677,744	11,677,744	12,209,331
	\$ 2,052,575	\$ 15,445,710	\$ 17,498,285	\$ 17,020,420
<b><u>LIABILITIES</u></b>				
<b>Current liabilities</b>				
Accounts payable (Note 8)	\$ 161,099	\$ -	\$ 161,099	\$ 150,484
Government remittances payable	10,726	-	10,726	3,046
Deferred revenue	7,643	-	7,643	10,319
	179,468	-	179,468	163,849
<b>Long-term debt (Note 9)</b>	-	-	-	40,000
	179,468	-	179,468	203,849
<b><u>FUND BALANCES</u></b>				
Unrestricted	1,873,107	-	1,873,107	1,671,623
Internally restricted	-	122,600	122,600	122,600
Dedicated capital reinvestment	-	3,645,366	3,645,366	2,813,017
Invested in tangible capital assets	-	11,677,744	11,677,744	12,209,331
	1,873,107	15,445,710	17,318,817	16,816,571
	\$ 2,052,575	\$ 15,445,710	\$ 17,498,285	\$ 17,020,420
<b>Commitments (Note 10)</b>				

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, 2023**  
(with comparative figures for the year ended September 30, 2022)

	Unrestricted	Internally restricted	Dedicated capital reinvestment	Invested in tangible capital assets	2023	2022
<b>Fund balances, beginning of year</b>	\$ 1,671,623	\$ 122,600	\$ 2,813,017	\$12,209,331	<b>\$16,816,571</b>	\$16,678,985
Excess (deficiency) of revenue over expenses	995,228	-	97,037	(590,019)	<b>502,246</b>	137,586
Contribution to dedicated capital reinvestment fund	(735,312)	-	735,312	-	-	-
Additions to tangible capital assets	(58,432)	-	-	58,432	-	-
<b>Fund balances, end of year</b>	<b>\$ 1,873,107</b>	<b>\$ 122,600</b>	<b>\$ 3,645,366</b>	<b>\$11,677,744</b>	<b>\$17,318,817</b>	<b>\$16,816,571</b>

See accompanying notes to the financial statements.

**SASKATOON SOCCER CENTRE INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
(with comparative figures for the year ended September 30, 2022)

	<u>Operating Fund</u>	<u>Physical Asset Fund</u>	<u>2023 Total</u>	<u>2022 Total</u>
<b>Revenue</b>				
Field rentals				
Saskatoon Adult Soccer Inc.	\$ 494,320	\$ -	\$ 494,320	\$ 467,394
Saskatoon Youth Soccer Inc.	807,950	-	807,950	672,302
Soccer - other	518,251	-	518,251	355,522
Non-soccer users and other	763,343	-	763,343	619,479
Admissions	57,141	-	57,141	35,794
Board advertising	13,818	-	13,818	8,100
Rental				
Food and beverage	144,500	-	144,500	143,050
Office and meeting space	68,605	-	68,605	65,499
Other	14,908	-	14,908	12,283
Interest income	58,827	97,037	155,864	88,884
Concession and vending	19,829	-	19,829	10,330
Commissions and miscellaneous	8,834	-	8,834	7,609
Sponsorships and donations	128,250	-	128,250	136,763
Government subsidies	-	-	-	73,537
<b>Total revenue</b>	<b>3,098,576</b>	<b>97,037</b>	<b>3,195,613</b>	<b>2,696,546</b>
<b>Overhead expenses</b>				
Advertising and promotion	17,222	-	17,222	30,581
Amortization	-	590,019	590,019	587,539
Bad debts (recovery)	(3,583)	-	(3,583)	16,463
Bank charges and interest	24,665	-	24,665	24,345
Dues and memberships	2,617	-	2,617	2,770
Insurance	104,522	-	104,522	99,252
Janitorial	70,308	-	70,308	47,565
Management wages	340,793	-	340,793	326,831
Office and general	37,116	-	37,116	77,362
Professional fees	62,595	-	62,595	49,192
Repairs, maintenance and supplies	170,934	-	170,934	126,196
Telephone	18,148	-	18,148	17,615
Training and travel	15,163	-	15,163	15,948
Utilities	454,217	-	454,217	426,323
Wages and benefits	788,631	-	788,631	710,978
<b>Total expenses</b>	<b>2,103,348</b>	<b>590,019</b>	<b>2,693,367</b>	<b>2,558,960</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 995,228</b>	<b>\$ (492,982)</b>	<b>\$ 502,246</b>	<b>\$ 137,586</b>

See accompanying notes to the financial statements.

**SASKATOON SOCCER CENTRE INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
(with comparative figures for the year ended September 30, 2022)

	<u>2023</u>	<u>2022</u>
<b>Cash provided by (used in) operating activities:</b>		
Excess (deficiency) of revenue over expenses	\$ 502,246	\$ 137,586
Items not involving cash:		
- Amortization of capital assets	590,019	587,539
- Interest income on dedicated capital reinvestment fund	(97,037)	(64,154)
	<u>995,228</u>	<u>660,971</u>
Non-cash operating working capital (Note 11)	(469,024)	(30,686)
	<u>526,204</u>	<u>630,285</u>
<b>Cash provided by (used in) investing activities:</b>		
Purchase of tangible capital assets	(58,432)	(59,305)
Contribution to dedicated capital reinvestment fund	(735,312)	(778,613)
	<u>(793,744)</u>	<u>(837,918)</u>
<b>Cash provided by (used in) financing activities:</b>		
Repayment of long-term debt	(40,000)	-
	<u>(40,000)</u>	<u>-</u>
<b>Decrease in cash</b>	(307,540)	(207,633)
<b>Cash position - beginning of year</b>	<u>1,061,256</u>	<u>1,268,889</u>
<b>Cash position - end of year</b>	<u>\$ 753,716</u>	<u>\$ 1,061,256</u>

See accompanying notes to the financial statements.



**SASKATOON SOCCER CENTRE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
**(with comparative figures for the year ended September 30, 2022)**

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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, 2023**  
**(with comparative figures for the year ended September 30, 2022)**

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

**Revenue recognition**

The Centre follows the deferral method of accounting. Rental fees and ancillary service income 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, 2023**  
(with comparative figures for the year ended September 30, 2022)

**3. Investments**

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

	<u>2023</u>	<u>2022</u>
<u>Short-term investments</u>		
Affinity Credit Union, 5 year GIC, 2.35% non-cashable, matures September 6, 2024	\$ 113,958	\$ -
Affinity Credit Union, 1 year GIC, 3.70% non-cashable, matures September 8, 2024	111,430	-
Affinity Credit Union, 1 year GIC, 3.55% non-cashable, matures February 22, 2024	500,000	-
Affinity Credit Union, 5 year GIC, 4.20% non-cashable, matured September 8, 2023	-	106,938
Affinity Credit Union, 5 year GIC, 5.50% non-cashable, matured September 6, 2023	-	115,090
Affinity Credit Union, 5 year GIC, 5.50% non-cashable, matured September 6, 2023	-	115,090
	<u>\$ 725,388</u>	<u>\$ 337,118</u>
<u>Long-term investments</u>		
Affinity Credit Union, 5 year GIC, 3.65% non-cashable, matures September 6, 2028	\$ 121,420	\$ -
Affinity Credit Union, 5 year GIC, 3.65% non-cashable, matures September 6, 2028	121,420	-
Affinity Credit Union, 3 year GIC, 0.75% non-cashable, matures December 8, 2024	113,027	112,186
Affinity Credit Union, 5 year GIC, 2.35% non-cashable, matures September 6, 2024	-	111,341
	<u>\$ 355,867</u>	<u>\$ 223,527</u>

**4. Accounts receivable**

	<u>2023</u>	<u>2022</u>
Team and other rental fees	\$ 376,450	\$ 376,502
City of Saskatoon	30,241	24,285
Canada Recovery and Hiring Program	-	6,837
Hardest Hit Business Recovery Program	-	19,568
Provincial Government - Trial Proceedings	-	15,860
Allowance for doubtful accounts	(85,485)	(89,067)
	<u>\$ 321,206</u>	<u>\$ 350,191</u>

**SASKATOON SOCCER CENTRE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
(with comparative figures for the year ended September 30, 2022)

**5. Dedicated capital reinvestment fund**

The City of Saskatoon previously agreed to grant a tax abatement commencing in 2021 and ending in 2025 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 2021 and ending in 2026 are to be contributed according to the schedule as follows:

Year of contribution	Contribution amount
2021	\$226,175
2022	230,699
2023	235,312
2024	240,018
2025	244,818

Starting in 2022, an additional minimum contribution of \$400,000 was to be made to the fund each year, until such a time when it is fully capitalized. Due to the economic impacts of the COVID-19 pandemic, a partial deferral of these contributions was negotiated with the City of Saskatoon. At the current year end, one additional installment of \$100,000 has been deferred and is expected to be paid in the 2024 fiscal year end.

**6. Tangible capital assets**

	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 68,494	\$ 47,133	\$ 21,361	\$ 6,147
Computer software	16,150	16,150	-	-
Facility equipment and signs	534,298	445,119	89,179	73,656
Indoor artificial turf	536,946	427,230	109,716	145,691
Kitchen and lounge furniture and equipment	487,725	477,926	9,799	-
Office furniture and equipment	95,912	88,244	7,668	9,437
Outdoor artificial turf	2,748,969	1,262,241	1,486,728	1,555,452
SaskTel Sports Centre	12,689,140	5,402,583	7,286,557	7,603,785
Saskatoon Kinsmen/Henk Ruys Soccer Centre	5,937,092	3,270,356	2,666,736	2,815,163
	\$ 23,114,726	\$ 11,436,982	\$ 11,677,744	\$ 12,209,331

**SASKATOON SOCCER CENTRE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
(with comparative figures for the year ended September 30, 2022)

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**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, 7.20% (2022 - 5.45%). Tangible capital assets with a carrying value of \$2,666,736, a general security agreement, and an assignment of rents are pledged as security. As at September 30, 2023, \$nil (2022 - \$nil) was drawn.

**8. Accounts payable**

	<u>2023</u>	<u>2022</u>
Trade payables	\$ 74,729	\$ 90,848
Accrued wages payable	29,718	8,635
Vacation payable	56,652	51,001
	<u>\$ 161,099</u>	<u>\$ 150,484</u>

**9. Long-term debt**

	<u>2023</u>	<u>2022</u>
CEBA loan from <b>Affinity Credit Union</b> repaid in the current year.	\$ -	\$ 40,000
	<u>\$ -</u>	<u>\$ 40,000</u>

**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.

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**SASKATOON SOCCER CENTRE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
(with comparative figures for the year ended September 30, 2022)

**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>2023</u>	<u>2022</u>
<b>(Increase) decrease in current assets:</b>		
Investments	\$ (520,609)	\$ (12,689)
Accounts receivable	28,985	(65,459)
Inventory	1,028	(9,083)
Prepaid expenses and deposits	5,954	27,874
	<u>(484,642)</u>	<u>(59,357)</u>
<b>Increase (decrease) in current liabilities:</b>		
Accounts payable	10,614	30,101
Government remittances payable	7,680	2,271
Deferred revenue	(2,676)	(3,701)
	<u>15,618</u>	<u>28,671</u>
	<u>\$ (469,024)</u>	<u>\$ (30,686)</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.

**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.