

SASKATOON SOCCER CENTRE INC.
FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Saskatoon Soccer Centre Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Saskatoon Soccer Centre Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The financial statements have been audited on behalf of the members by Virtus Group Chartered Professional Accountants & Business Advisors LLP, in accordance with Canadian generally accepted auditing standards.



Jodi Blackwell, CEO



Ruth Summers, Director of Finance

Saskatoon, SK

INDEPENDENT AUDITOR'S REPORT

To the Members of Saskatoon Soccer Centre Inc.

Opinion

We have audited the financial statements of Saskatoon Soccer Centre Inc. (the Organization), which comprise the statement of financial position as at September 30, 2024, and the statements of changes in fund balances, operations 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, 2024, and the results of its operations 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 ethical requirements that are relevant to our audit of the financial statements in Canada, 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.

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:

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Independent Auditor's Report to the Members of Saskatoon Soccer Centre Inc. *(continued)*

- 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 timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

February 4, 2025
Saskatoon, Saskatchewan

Virtus Group LLP
Chartered Professional Accountants



SASKATOON SOCCER CENTRE INC.
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	Operating	Physical Asset	2024 Total	2023 Total
ASSETS				
Current assets				
Cash	\$ 304,055	\$ 122,600	\$ 426,655	\$ 753,716
Investments (Note 3)	754,580	-	754,580	725,388
Accounts receivable (Note 4)	226,627	-	226,627	321,206
Inventory	1,499	-	1,499	18,019
Goods and services tax recoverable	31,325	-	31,325	-
Prepaid expenses and deposits	1,533	-	1,533	979
	1,319,619	122,600	1,442,219	1,819,308
Investments (Note 3)	368,339	-	368,339	355,867
Dedicated Capital				
Reinvestment (Note 5)	-	4,542,055	4,542,055	3,645,366
Tangible capital assets (Note 6)	-	11,961,506	11,961,506	11,677,744
	\$ 1,687,958	\$ 16,626,161	\$ 18,314,119	\$ 17,498,285

LIABILITIES				
Current liabilities				
Accounts payable (Note 8)	\$ 154,580	\$ -	\$ 154,580	\$ 161,099
Government remittances payable	-	-	-	10,726
Deferred revenue	157,867	-	157,867	7,643
	312,447	-	312,447	179,468

NET ASSETS				
Unrestricted	1,375,511	-	1,375,511	1,873,107
Internally restricted	-	122,600	122,600	122,600
Dedicated capital reinvestment	-	4,542,055	4,542,055	3,645,366
Investment in tangible capital assets	-	11,961,506	11,961,506	11,677,744
	1,375,511	16,626,161	18,001,672	17,318,817
	\$ 1,687,958	\$ 16,626,161	\$ 18,314,119	\$ 17,498,285

Commitments (Note 9)

ON BEHALF OF THE BOARD


 Director


 Director

See accompanying notes to the financial statements

SASKATOON SOCCER CENTRE INC.
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Unrestricted	Internally restricted	Dedicated capital reinvestment	Investment in tangible capital assets	2024	2023
Fund balances, beginning of year	\$ 1,873,107	\$ 122,600	\$ 3,645,366	\$ 11,677,744	\$ 17,318,817	\$ 16,816,571
Excess (deficiency) of revenue over expenses	1,231,487	-	156,671	(705,303)	682,855	502,246
Contribution to dedicated capital reinvestment fund	(740,018)	-	740,018	-	-	-
Additions to tangible capital assets	(989,065)	-	-	989,065	-	-
Net assets - end of year	\$ 1,375,511	\$ 122,600	\$ 4,542,055	\$ 11,961,506	\$ 18,001,672	\$ 17,318,817

See accompanying notes to the financial statements

SASKATOON SOCCER CENTRE INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Operating Fund	Physical Asset Fund	2024 Total	2023 Total
Revenue				
Field Rental				
Saskatoon Adult Soccer Inc.	\$ 487,322	\$ -	\$ 487,322	\$ 494,320
Saskatoon Youth Soccer Inc.	1,005,311	-	1,005,311	807,950
Soccer - other	616,340	-	616,340	518,251
Non-soccer users and other	848,468	-	848,468	763,343
Admissions	56,735	-	56,735	57,141
Board advertising	15,376	-	15,376	13,818
Rental				
Food and beverage	149,750	-	149,750	144,500
Office and meeting space	74,543	-	74,543	68,605
Other	10,333	-	10,333	14,908
Interest income	67,572	156,671	224,243	155,864
Concession and vending	20,674	-	20,674	19,829
Commissions and miscellaneous	7,947	-	7,947	8,834
Sponsorship and donations	137,539	-	137,539	128,250
	<u>3,497,910</u>	<u>156,671</u>	<u>3,654,581</u>	<u>3,195,613</u>
Overhead expenses				
Advertising and promotion	9,107	-	9,107	17,222
Amortization	-	600,317	600,317	590,019
Bad debts (recovery)	82,468	-	82,468	(3,583)
Bank charges and interest	24,213	-	24,213	24,665
Dues and memberships	2,692	-	2,692	2,617
Insurance	111,350	-	111,350	104,522
Janitorial	50,997	-	50,997	70,308
Management salaries	397,222	-	397,222	340,793
Office and general	33,760	-	33,760	37,116
Professional fees	61,500	-	61,500	62,595
Repairs, maintenance and supplies	214,042	-	214,042	170,934
Telephone	17,615	-	17,615	18,148
Training and travel	16,192	-	16,192	15,163
Utilities	394,518	-	394,518	454,217
Wages and benefits	850,747	-	850,747	788,631
	<u>2,266,423</u>	<u>600,317</u>	<u>2,866,740</u>	<u>2,693,367</u>
Excess (deficiency) of revenue over expenses from operations	<u>1,231,487</u>	<u>(443,646)</u>	<u>787,841</u>	<u>502,246</u>
Other income (expenses)				
Gain (loss) on disposal of assets	-	(104,986)	(104,986)	-
Excess (deficiency) of revenue over expenses	<u>\$ 1,231,487</u>	<u>\$ (548,632)</u>	<u>\$ 682,855</u>	<u>\$ 502,246</u>

See accompanying notes to the financial statements

SASKATOON SOCCER CENTRE INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	2024	2023
Cash flows from operating activities		
Excess of revenue over expenses	\$ 682,855	\$ 502,246
Items not involving cash:		
Amortization of capital assets	600,317	590,020
Interest income on dedicated capital reinvestment fund	(156,671)	(97,037)
Loss on disposal of property, plant and equipment	104,986	-
	<u>1,231,487</u>	<u>995,229</u>
Changes in non-cash working capital <i>(Note 10)</i>	<u>170,535</u>	<u>(469,025)</u>
	<u>1,402,022</u>	<u>526,204</u>
Cash flows from investing activities		
Purchase of tangible capital assets	(989,065)	(58,432)
Contribution to dedicated capital reinvestment fund	(740,018)	(735,312)
	<u>(1,729,083)</u>	<u>(793,744)</u>
Cash flows from financing activity		
Repayment of long-term debt	-	(40,000)
Decrease in cash flow	(327,061)	(307,540)
Cash - beginning of year	<u>753,716</u>	<u>1,061,256</u>
Cash - end of year	<u>\$ 426,655</u>	<u>\$ 753,716</u>

See accompanying notes to the financial statements

SASKATOON SOCCER CENTRE INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

1. Nature of operations

Saskatoon Soccer Centre Inc. (the Organization) 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 Organization was formed in 1993 by Saskatoon Youth Soccer Inc. and Saskatoon Adult Soccer Inc. The Organization 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 Organization 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 Organization are the Physical Asset and Operating Funds. The Physical Asset Fund accounts for the physical assets and associated liabilities of the Organization. The Operating Fund accounts for all of the other financial activities of the organization.

Financial instruments

Financial assets and financial liabilities are recorded on the statement of financial position when 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, investments, accounts receivable, dedicated capital reinvestment fund, and accounts payable.

Revenue recognition

The Organization 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.

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SASKATOON SOCCER CENTRE INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

2. Summary of significant accounting policies (continued)

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization except as described below. Amortization is provided on a 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	10 years
Kitchen and lounge furniture and equipment	10 years
Office furniture and equipment	10 years
Outdoor artificial turf	40 years
Saskatoon Soccer Centre	40 years
Saskatoon Kinsmen/Henk Ruys Soccer Centre	40 years

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.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

3. Investments

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

	<u>2024</u>	<u>2023</u>
<u>Short-term investments</u>		
Affinity Credit Union, 3 year GIC, 0.75% non-cashable, matures December 8, 2024	\$ 113,875	\$ -
Affinity Credit Union, 1 year GIC, 3.10% non-cashable, matures July 8, 2025	525,152	-
Affinity Credit Union, 1 year GIC, 4.15% non-cashable, matures September 8, 2025	115,553	-
Affinity Credit Union, 5 year GIC, 2.35% non-cashable, matured September 6, 2024	-	113,958
Affinity Credit Union, 1 year GIC, 3.70% non-cashable, matured September 8, 2024	-	111,430
Affinity Credit Union, 1 year GIC, 3.55% non-cashable, matured February 22, 2024	-	500,000
	<u>\$ 754,580</u>	<u>\$ 725,388</u>
<u>Long-term investments</u>		
Affinity Credit Union, 5 year GIC, 3.70% non-cashable, matures September 8, 2029	\$ 116,636	\$ -
Affinity Credit Union, 5 year GIC, 3.75% non-cashable, matures September 6, 2028	125,852	121,420
Affinity Credit Union, 5 year GIC, 3.75% non-cashable, matures September 6, 2028	125,851	121,420
Affinity Credit Union, 3 year GIC, 0.75% non-cashable, matures December 8, 2024	-	113,027
	<u>\$ 368,339</u>	<u>\$ 355,867</u>

SASKATOON SOCCER CENTRE INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

4. Accounts receivable

	2024	2023
Team and other rental fees	\$ 375,025	\$ 376,450
City of Saskatoon	14,019	30,241
Allowance for doubtful accounts	<u>(162,417)</u>	<u>(85,485)</u>
	\$ 226,627	\$ 321,206

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

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.

6. Property, plant and equipment

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Computer equipment	\$ 74,971	\$ 55,585	\$ 19,386	\$ 21,361
Computer software	16,150	16,150	-	-
Facility equipment and signs	555,648	459,854	95,794	89,179
Indoor artificial turf	715,841	35,792	680,049	109,716
Kitchen and lounge furniture and equipment	505,702	479,856	25,846	9,799
Office furniture and equipment	105,439	90,490	14,949	7,668
Outdoor artificial turf	2,748,969	1,330,965	1,418,004	1,486,728
Saskatoon Soccer Centre	12,697,476	5,719,916	6,977,560	7,286,557
Saskatoon Kinsmen/Henk Ruys Soccer Centre	6,151,380	3,421,462	2,729,918	2,666,736
	\$ 23,571,576	\$ 11,610,070	\$ 11,961,506	\$ 11,677,744

SASKATOON SOCCER CENTRE INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

7. Credit arrangements

The Organization has an operating line of credit with Affinity Credit Union with maximum credit available of \$500,000 bearing interest at prime, 6.45% (2023 - 7.20%). Tangible capital assets with a carrying value of \$2,729,918, a general security agreement, and an assignment of rents are pledged as security. As at September 30, 2024, \$nil (2023 - \$nil) was drawn.

8. Accounts payable

	2024	2023
Trade payables	\$ 83,573	\$ 74,729
Accrued wages payable	11,292	29,718
Vacation payable	59,715	56,652
	<u>\$ 154,580</u>	<u>\$ 161,099</u>

9. Commitments

The Organization has entered into a lease agreement with the City of Saskatoon for municipal reserve lands on which the Saskatoon Kinsmen/Henk Ruys and The Saskatoon Soccer 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.

10. Changes in non-cash working capital

	2024	2023
Investments	\$ (41,664)	\$ (520,609)
Accounts receivable	94,579	28,985
Inventory	16,520	1,028
Prepaid expenses	(557)	5,952
Accounts payable	(6,516)	10,615
Government remittances payable	(42,051)	7,680
Deferred revenue	150,224	(2,676)
	<u>\$ 170,535</u>	<u>\$ (469,025)</u>

SASKATOON SOCCER CENTRE INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

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, 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.