



# Consolidated Financial Statements

Ontario Soccer Association

(Operating as Ontario Soccer)

March 31, 2022

# Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Consolidated Statement of Financial Position	3
Consolidated Statement of Financial Activities	4
Consolidated Statement of Changes in Fund Balances	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 15

# Independent Auditor's Report

---

**Grant Thornton LLP**  
Suite 200  
15 Allstate Parkway  
Markham, ON  
L3R 5B4  
T +1 416 366 0100  
F +1 905 475 8906

To the Members of  
Ontario Soccer Association

## Opinion

We have audited the consolidated financial statements of Ontario Soccer Association (operating as Ontario Soccer) (the "Association"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of financial activities, changes in fund balances and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Association as at March 31, 2022, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

## 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 Consolidated Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Association'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 Association'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 consolidated 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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Markham, Canada  
September 13, 2022

Chartered Professional Accountants  
Licensed Public Accountants

# Ontario Soccer Association

(Operating as Ontario Soccer)

## Consolidated Statement of Financial Position

March 31

2022

2021

(Note 1)

### Assets (Note 3)

#### Current

Cash	\$ 2,890,855	\$ 655,862
Accounts receivable	859,897	566,583
Prepaid expenses and inventories	<u>131,211</u>	<u>101,062</u>
	3,881,963	1,323,507
Accounts receivable	-	150,000
Property and equipment (Note 4)	<u>6,053,529</u>	<u>6,512,840</u>
	<u>\$ 9,935,492</u>	<u>\$ 7,986,347</u>

### Liabilities and fund balances (Note 3)

#### Current

Accounts payable and accrued liabilities (Note 5)	\$ 1,508,203	\$ 1,520,249
Notes payable (Note 6)	532,000	532,000
Deferred revenue	2,757,997	1,443,252
Current portion of deferred government grant (Note 7)	16,333	16,333
Current portion of capital lease obligation (Note 8)	2,937	22,448
Current portion of long-term debt (Note 9)	428,731	415,246
Current portion of term facility (Note 10)	<u>44,444</u>	<u>3,704</u>
	5,290,645	3,953,232
Deferred government grant (Note 7)	116,284	132,617
Capital lease obligation (Note 8)	-	3,107
Long-term debt (Note 9)	2,066,158	2,494,411
Term facility (Note 10)	<u>351,852</u>	<u>396,296</u>
	<u>7,824,939</u>	<u>6,979,663</u>
Fund balances (Note 11)		
Unrestricted	(1,989,139)	(3,057,738)
Invested in property and equipment	3,426,023	3,454,233
Internally restricted	<u>673,669</u>	<u>610,189</u>
	<u>2,110,553</u>	<u>1,006,684</u>
	<u>\$ 9,935,492</u>	<u>\$ 7,986,347</u>

Contingencies (Note 15)

On behalf of the Board of Directors

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

See accompanying notes to the consolidated financial statements.

# Ontario Soccer Association

(Operating as Ontario Soccer)

## Consolidated Statement of Financial Activities

	Year ended March 31, 2022	Three months ended March 31, 2021
		(Note 1)
Revenue (Notes 12 and 13)		
Ontario Soccer Association		
Registration and reporting fees	\$ 3,762,268	\$ 156,884
Program fees	1,415,900	700
Clinic and course fees	499,248	59,176
Grants	447,737	122,340
Sponsorships	221,327	54,684
Government assistance (Note 16)	187,875	103,900
Corporate	1,400	-
	<u>6,535,755</u>	<u>497,684</u>
The Soccer Centre (Ontario)		
Rental income	1,059,180	85,804
League fees	470,893	-
Government assistance (Note 16)	76,123	34,570
Facilities	29,343	-
Other	21,369	448
Government grant (Note 7)	16,333	4,083
Sponsorships	2,750	-
	<u>1,675,991</u>	<u>124,905</u>
	<u>8,211,746</u>	<u>622,589</u>
Expenses (Notes 12 and 13)		
Ontario Soccer Association		
Salaries and benefits	1,604,737	289,091
Canadian Soccer Association membership fee	1,491,652	1,000
Programs	1,296,356	33,038
Insurance	395,838	89,258
General and administrative	191,948	39,033
Clinics and courses	169,491	1,982
Corporate	156,677	47,837
Amortization	37,498	9,745
	<u>5,344,197</u>	<u>510,984</u>
The Soccer Centre (Ontario)		
Amortization	516,838	132,389
League	457,341	-
Salaries and benefits	325,317	54,307
Maintenance and utilities	237,163	46,814
Interest (Notes 6, 9 and 10)	122,240	30,563
Administration	104,781	34,690
	<u>1,763,680</u>	<u>298,763</u>
	<u>7,107,877</u>	<u>809,747</u>
Excess (deficiency) of revenue over expenses (Note 13)	<u>\$ 1,103,869</u>	<u>\$ (187,158)</u>

See accompanying notes to the consolidated financial statements.

---

# Ontario Soccer Association

(Operating as Ontario Soccer)

## Consolidated Statement of Changes in Fund Balances

	Unrestricted	Invested in Property and Equipment	Internally Restricted	Year ended March 31, 2022 Total	Three months ended March 31, 2021 Total
Fund balances, beginning of period	\$ (3,057,738)	\$ 3,454,233	\$ 610,189	\$ 1,006,684	\$ 1,193,842
Excess (deficiency) of revenue over expenses	1,641,872	(538,003)	-	1,103,869	(187,158)
Purchase of property and Equipment	(95,025)	95,025	-	-	-
Transfer to internally restricted fund	(63,480)	-	63,480	-	-
Repayment of long-term debt	<u>(414,768)</u>	<u>414,768</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of period	<u>\$ (1,989,139)</u>	<u>\$ 3,426,023</u>	<u>\$ 673,669</u>	<u>\$ 2,110,553</u>	<u>\$ 1,006,684</u>

See accompanying notes to the consolidated financial statements.

**Ontario Soccer Association**  
 (Operating as Ontario Soccer)  
**Consolidated Statement of Cash Flows**

	Year ended March 31, 2022	Three months ended March 31, 2021
Increase (decrease) in cash		(Note 1)
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	\$ 1,103,869	\$ (187,158)
Items not involving cash		
Amortization	554,336	142,134
Deferred government grant recognized	<u>(16,333)</u>	<u>(4,083)</u>
	<u>1,641,872</u>	<u>(49,107)</u>
Change in non-cash working capital items		
Accounts receivable	(143,314)	(68,884)
Prepaid expenses and inventories	(30,149)	142,886
Accounts payable and accrued liabilities	(12,046)	(71,512)
Deferred revenue	<u>1,314,745</u>	<u>253,958</u>
	<u>1,129,236</u>	<u>256,448</u>
	<u>2,771,108</u>	<u>207,341</u>
<b>Financing</b>		
Repayment of capital lease obligation	(22,618)	(7,513)
Decrease in bank overdraft	-	(35,328)
Proceeds of term facility	-	400,000
Repayment of term facility	(3,704)	-
Repayment of long-term debt	<u>(414,768)</u>	<u>(102,053)</u>
	<u>(441,090)</u>	<u>255,106</u>
<b>Investing</b>		
Purchase of property and equipment	<u>(95,025)</u>	<u>-</u>
Increase in cash	2,234,993	462,477
Cash		
Beginning of period	<u>655,862</u>	<u>193,415</u>
End of period	<u>\$ 2,890,855</u>	<u>\$ 655,862</u>

See accompanying notes to the consolidated financial statements.

---

# Ontario Soccer Association

(Operating as Ontario Soccer)

## Notes to the Financial Statements

March 31, 2022

---

### 1. Purpose of the organization

Ontario Soccer Association (operating as Ontario Soccer) (the "Association") is incorporated in Ontario and is defined as a not-for-profit organization under the Canadian Income Tax Act. The Association is exempt from income tax under Section 149(1) of the Canadian Income Tax Act. The objectives of the Association are to promote and regulate the sport of soccer in the province of Ontario.

The Association adopted a fiscal year ended March 31 effective January 1, 2021. Accordingly, the comparative figures in the financial statements reflect the results of operations and cash flows for the three months ended March 31, 2021.

---

### 2. Summary of significant accounting policies

The consolidated financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), the more significant policies of which are outlined below.

#### Basis of presentation and principles of consolidation

These consolidated financial statements present the financial position of the Association as at March 31, 2022 and the results of its financial activities and its cash flows for the year then ended.

These consolidated financial statements include the accounts of the Association and its controlled organization, The Soccer Centre (Ontario) (the "Centre"). The Centre is defined as a not-for-profit organization under the Canadian Income Tax Act.

#### Fund accounting

The accounts are maintained in accordance with the principles of fund accounting, whereby fund balances of the Association are classified for accounting and reporting purposes into funds to be used according to the directions of the Board of Directors (the "Board"). The unrestricted, invested in property and equipment and internally restricted funds are described further in Note 12.

#### Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. The Association makes estimates for the allowance for doubtful accounts, useful lives of property and equipment as well as the realization of deferred revenue. Actual results may differ from such estimates.

#### Financial instruments

The Association considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Association's financial instruments are comprised of cash, accounts receivable, accounts payable, notes payable, long-term debt and term facility.

Financial assets and liabilities are initially recorded at fair value. Cash, accounts receivable, and accounts payable are subsequently stated at amortized cost. Notes payable, long-term debt and term facility are subsequently recorded at amortized cost using the effective interest rate method.

---

# Ontario Soccer Association

(Operating as Ontario Soccer)

## Notes to the Financial Statements

March 31, 2022

---

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

#### Property and equipment

Property and equipment are recorded at cost. Amortization is provided over the estimated useful lives as follows:

Building (constructed on leased land (Note 5(a)))	40 years straight-line
Indoor turf	10 years straight-line
Outdoor turf	8 years straight-line
Outdoor turf facilities and equipment	10 - 20 years straight-line
Outdoor stadium substructure	24 years straight-line
Furniture and equipment	5 years straight-line
Computer equipment	30% declining balance

Building costs and leasehold improvements are accounted for at cost and amortized over the shorter of the estimated useful life of the asset or the term of the lease with the City of Vaughan (the "City").

Property and equipment are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to its fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the consolidated statement of financial activities. Any impairment recognized is not reversed.

#### Revenue recognition

Player registration, program, clinic, course, corporate, competition and travel fees are recognized over the term the service is performed. Revenue is recognized from sponsorships, grants, rental, league and agency fees over the term of the contract. Concession sales are recorded on the date of sale. Fees received in advance are recorded as deferred revenue and recognized when services are performed.

Specific funding for the purchase of property and equipment is deferred and amortized over the useful life of the related property and equipment so that revenue recognition corresponds with the related amortization expense.

Government assistance is recognized in the consolidated statement of financial activities when received or receivable in the period to which it relates.

#### Contributed services and materials

The work of the Association is dependent on contributed services of many volunteers. Since these services are not normally purchased by the Association and due to the difficulty in determining their fair value, donated services are not recognized in these consolidated financial statements.

Members of the Board are volunteers who serve without remuneration.

Contributed materials normally purchased by the Association are not recorded in the accounts. The fair value of these contributed materials is not readily determinable and, as such, they are not reflected in these consolidated financial statements.

**Ontario Soccer Association**  
(Operating as Ontario Soccer)  
**Notes to the Financial Statements**  
March 31, 2022

**3. Statement of financial position consolidation**

	Association Non- Consolidated	Centre	Eliminating entries	Total
<b>Assets</b>				
Current				
Cash	\$ 2,589,910	\$ 300,945	\$ -	\$ 2,890,855
Accounts receivable	690,821	169,076	-	859,897
Prepaid expenses and inventories	75,381	55,830	-	131,211
Due from related party	9,330	-	(9,330)	-
	3,365,442	525,851	(9,330)	3,881,963
Investment in the Centre (Note 11)	2,000,000	-	(2,000,000)	-
Property and equipment	170,847	5,882,682	-	6,053,529
	<u>\$ 5,536,289</u>	<u>\$ 6,408,533</u>	<u>\$ (2,009,330)</u>	<u>\$ 9,935,492</u>
<b>Liabilities and fund balances</b>				
Current				
Accounts payable and accrued liabilities	1,221,077	287,126	-	1,508,203
Notes payable	532,000	-	-	532,000
Due to related party	-	9,330	(9,330)	-
Deferred revenue	2,508,798	249,199	-	2,757,997
Current portion of deferred government grant	-	16,333	-	16,333
Current portion of capital lease obligation	2,937	-	-	2,937
Current portion of long-term debt	-	428,731	-	428,731
Current portion of term facility	-	44,444	-	44,444
	4,264,812	1,035,163	(9,330)	5,290,645
Deferred government grant	-	116,284	-	116,284
Long-term debt	-	2,066,158	-	2,066,158
Term facility	-	351,852	-	351,852
	<u>4,264,812</u>	<u>3,569,457</u>	<u>(9,330)</u>	<u>7,824,939</u>
Equity of parent organization (Note 11)	-	2,000,000	(2,000,000)	-
Fund balances				
Unrestricted	1,100,630	(3,089,769)	-	(1,989,139)
Invested in property and equipment	170,847	3,255,176	-	3,426,023
Internally restricted	-	673,669	-	673,669
	<u>1,271,477</u>	<u>839,076</u>	<u>-</u>	<u>2,110,553</u>
	<u>\$ 5,536,289</u>	<u>\$ 6,408,533</u>	<u>\$ (2,009,330)</u>	<u>\$ 9,935,492</u>

---

**Ontario Soccer Association**  
(Operating as Ontario Soccer)  
**Notes to the Financial Statements**  
March 31, 2022

---

**4. Property and equipment**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<b>2022 Net Book Value</b>	2021 Net Book Value (Note 1)
Lease interest in land (a)	\$ 43	\$ -	\$ 43	\$ 43
Building (b)	8,624,289	5,024,830	<b>3,599,459</b>	3,775,861
Indoor turf	330,350	222,986	<b>107,364</b>	140,399
Outdoor turf	519,438	438,276	<b>81,162</b>	146,092
Outdoor turf facilities and equipment	910,670	590,574	<b>320,096</b>	397,526
Outdoor stadium substructure	2,373,386	667,515	<b>1,705,871</b>	1,804,762
Furniture and equipment	785,328	647,233	<b>138,095</b>	146,341
Computer equipment	195,579	159,653	<b>35,926</b>	27,135
Leasehold improvements	<u>107,093</u>	<u>41,580</u>	<b><u>65,513</u></b>	<u>74,681</u>
	<b><u>\$ 13,846,176</u></b>	<b><u>\$ 7,792,647</u></b>	<b><u>\$ 6,053,529</u></b>	<b><u>\$ 6,512,840</u></b>

(a) Commencing in June 1996, the land was leased from the City for a period of 43 years for aggregate consideration of \$43.

(b) During 1998, the City provided \$1,599,130 of initial funding for the building which has been applied to reduce the cost of the building. During 2001 and 2002, the City provided, without charge, approximately \$760,000 for property improvements, which are not included in the consolidated financial statements.

---

**5. Accounts payable and accrued liabilities**

Included in accounts payable and accrued liabilities at period end are government remittances owing of \$Nil (2021 - \$6,260).

---

**6. Notes payable**

Unsecured notes payable, repayable at various maturity dates up to August 2022, bearing interest at 4.00%.

Interest expense on the notes payable amounted to \$19,815 (2021 - \$6,319). The interest was paid by the Centre.

**Ontario Soccer Association**  
 (Operating as Ontario Soccer)  
**Notes to the Financial Statements**  
 March 31, 2022

**7. Deferred government grant**

	Grant Amount	Accumulated Amortization	<b>2022 Net</b>	2021 Net (Note 1)
RinC grant	\$ 53,333	\$ 16,966	<b>\$ 36,367</b>	\$ 37,700
Trillium HVAC	<u>150,000</u>	<u>53,750</u>	<b><u>96,250</u></b>	<u>111,250</u>
	<u>203,333</u>	<u>70,716</u>	<b><u>132,617</u></b>	<u>148,950</u>
Less: current portion			<b><u>16,333</u></b>	<u>16,333</u>
			<b><u>\$ 116,284</u></b>	<b><u>\$ 132,617</u></b>

**8. Capital lease obligation**

	<b>2022</b>	2021 (Note 1)
Capital lease, 6% effective interest rate, with 60 monthly interest and principal payments of \$1,554 maturing July 2022	<b>\$ 2,937</b>	\$ 21,752
Capital lease, 6% effective interest rate, with 60 monthly interest and principal payments of \$951 maturing July 2021	<u>-</u>	<u>3,803</u>
	<b>2,937</b>	25,555
Less: current portion	<b><u>2,937</u></b>	<u>22,448</u>
Long-term portion	<b><u>\$ -</u></b>	<b><u>\$ 3,107</u></b>

**9. Long-term debt**

	<b>2022</b>	2021 (Note 1)
Bank loan, secured by real property, assignment of insurance for all assets, guarantee and postponement of claim executed by the City limited to \$5,000,000, bearing interest at prime plus 0.75%, repayable in blended monthly payments of \$43,207 over 7 years ending on May 31, 2027.	<b>\$ 2,494,889</b>	\$ 2,909,657
Less: current portion	<b><u>428,731</u></b>	<u>415,246</u>
Long-term portion	<b><u>\$ 2,066,158</u></b>	<b><u>\$ 2,494,411</u></b>

The Centre incurred interest expense during the year of \$87,625 (three month period ending March 31, 2021 - \$23,011) with respect to the long-term debt. The Centre is subject to a covenant to maintain a debt service coverage ratio of not less than 1.0.

---

**Ontario Soccer Association**  
(Operating as Ontario Soccer)  
**Notes to the Financial Statements**  
March 31, 2022

---

**9. Long-term debt (continued)**

The principal payments required over the next five years are as follows:

2023	\$ 428,731
2024	442,653
2025	457,028
2026	471,869
2027	487,192

---

**10. Term facility**

	<u>2022</u>	<u>2021</u> (Note 1)
Demand loan, secured by real property and assignment of insurance for all assets, bearing interest at prime plus 1.25% repayable in principal monthly payments of \$3,704 plus accrued interest, over 10 years ending on February 28, 2031. Principal payments commence March 2022 with interest accrued as of receipt of the proceeds of the loan.	<b>\$ 396,296</b>	\$ 400,000
Less: current portion	<u>44,444</u>	<u>3,704</u>
Long-term portion	<b><u>\$ 351,852</u></b>	<b><u>\$ 396,296</u></b>

The Centre incurred interest expense during the year of \$14,800 (three month period ending March 31, 2021 - \$1,233) with respect to the term facility. The Centre is subject to a covenant to maintain a debt service coverage ratio of not less than 1.0.

The principal payments required over the next five years are as follows:

2023	\$ 44,444
2024	44,444
2025	44,444
2026	44,444
2027	44,444

---

**11. Objectives, policies and processes for managing capital**

The Association's capital is comprised of the net amounts invested in property and equipment, internally restricted and unrestricted funds.

The Association and the Centre invest in property and equipment in order, primarily, to provide facilities for the soccer community. The Association's Board and the Centre's Board are responsible for the investment and define the policies to be followed to ensure the smooth functioning of the facilities and their maintenance.

---

# Ontario Soccer Association

(Operating as Ontario Soccer)

## Notes to the Financial Statements

March 31, 2022

---

### 11. Objectives, policies and processes for managing capital (continued)

An internally restricted fund has been established by the Centre's Board to finance future repairs and replacements for the Centre. The Centre's Board approved an increase of \$20 to the hourly rate for the Centre's field rentals in order to establish a fund that would serve to provide the cash for larger capital maintenance items. Income for the year earned from these fees was \$63,480 (three month period ending March 31, 2021 - \$1,790). An amount of \$610,189 (three month period ending March 31, 2021 - \$610,189) is reserved for this purpose. Only major repairs and replacements are charged directly to this fund. Reimbursement for minor capital purchases are charged to the unrestricted fund or recorded as property and equipment, according to their nature.

The objective of the Association and the Centre is to maintain fund balances sufficient to meet both the annual working capital requirements and the annual maintenance of property and equipment. Management prepares the annual budget and cash flow forecast to meet the requirements of the unrestricted fund. After the budget is approved by the Association's Board, the Finance Committee and staff monitor the actual results against forecast.

The Centre has covenants with the bank, which include maintaining the fund balances at deemed values and maintaining a debt service ratio. The Centre and the Association submit financial statements to the bank on a quarterly basis, and to the City on an annual basis.

---

### 12. Due from (to) related party and related party transactions

The following transactions between the Association and the Centre have not been eliminated within the consolidated statement of financial activities. It is management's opinion that these fees would have been earned or charged between the organizations and independent third parties had they not occurred between the Association and the Centre. Consequently, to eliminate the transactions would not provide a complete picture of the operations of the consolidated organization. The transactions are recorded at management's best estimate of fair market values. Amounts due to the Association are unsecured, non-interest bearing and due on demand.

	<u>2022</u>	<u>2021</u> (Note 1)
Due to parent organization (Note 3), beginning of period	\$ 345,948	\$ 171,588
Investment in the Centre (Note 3), beginning of period	<u>2,000,000</u>	<u>2,000,000</u>
	<b>2,345,948</b>	2,171,588
Fees charged to the Association by the Centre:		
Office space rental (included in rental income)	<b>(86,208)</b>	(22,284)
Indoor soccer rental fees (included in rental income)	<b>(90,459)</b>	-
Outdoor soccer rental fees (included in rental income)	<b>(30,963)</b>	-
Canada room rental fees (included in rental income)	<b>(1,000)</b>	-
Building maintenance reserve	<u><b>(9,951)</b></u>	<u>-</u>
	<b>(218,581)</b>	(22,284)

---

**Ontario Soccer Association**  
(Operating as Ontario Soccer)  
**Notes to the Financial Statements**  
March 31, 2022

---

**12. Due from (to) related party and related party transactions (continued)**

	<u>2022</u>	<u>2021</u> (Note 1)
Fees charged to the Centre by the Association (included in interest expense)	<b>14,026</b>	6,319
Operating expenses of the Centre (repaid to) paid by the Association	<u><b>(132,063)</b></u>	<u>190,325</u>
Due to parent organization (Note 3), end of period	<b>9,330</b>	345,948
Investment in the Centre (Note 3), end of period	<u><b>2,000,000</b></u>	<u>2,000,000</u>
	<u><b>\$ 2,009,330</b></u>	<u>\$ 2,345,948</u>

Investment in the Centre consists of original capital provided by the Association to fund creation of the Centre. It was the intention of the Association that this amount would be repaid over a multi-year period.

---

**13. Consolidated net activities of Ontario Soccer Association**

	Association Non- Consolidated	<u>Centre</u>	<u>Total</u>
Revenue	\$ 6,535,755	\$ 1,675,991	\$ 8,211,746
Expenses	<u>5,344,197</u>	<u>1,763,680</u>	<u>7,107,877</u>
Excess (deficiency) of revenue over expenses	<u>\$ 1,191,558</u>	<u>\$ (87,689)</u>	<u>\$ 1,103,869</u>

---

**14. Financial instruments**

Ontario Soccer Association has the following risks associated with its financial instruments:

**Credit risk**

The Association does not consider credit risks on its accounts receivable to be significant given the high quality nature of the Association's sources of revenue. The Association's allowance for doubtful accounts is \$Nil (2021 - \$1,113).

**Liquidity risk**

The Association does not consider liquidity risks on its accounts payable, notes payable, long-term debt and term facility to be significant as the Association forecasts cash flows from operations, investing and financing activities to ensure it has sufficient funds available to meet current and foreseeable financial obligations.

---

# Ontario Soccer Association

(Operating as Ontario Soccer)

## Notes to the Financial Statements

March 31, 2022

---

### 14. Financial instruments (continued)

#### 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 Association is subject to interest rate cash flow risk as the long-term debt and term facility are subject to interest at the Canadian bank prime rate.

---

### 15. Contingencies

In fiscal 2022, various claims amounting to \$15,008,000 (2021 - \$15,200,000) have been filed against numerous parties, including the Association. The final outcome of these claims is not yet determinable.

---

### 16. COVID-19

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. The measures adopted by the federal and provincial government have required the temporary closures of the Association throughout periods in fiscal 2021 and 2022. The Association was able to reduce the impact of the events related to COVID-19 through the application and receipt of funding of government assistance including the Canada Emergency Wage Subsidy (CEWS) of \$184,767 (2021 - \$103,032), COVID-19 Ontario Small Business Support Grant of \$20,000 (2021 - \$22,330), and Canada Emergency Rent Subsidy (CERS) of \$37,632 (2021 - \$13,108), of which \$Nil (2021 - \$47,513) was in accounts receivable at period end, as well as through significant cost cutting measures.

The duration and impact of the pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Association for future periods. As of the audit report date, the Association is committed to increasing registration, offering additional courses and clinics, and continuing to introduce alternative sources of revenue all while continuing to effectively and efficiently cut costs to ensure the sustainability of the Association.