

Financial Statements of

**OTTAWA CARLETON SOCCER
LEAGUE**

October 31, 2024

Draft

TBD

INDEPENDENT AUDITOR'S REPORT

To the Members of
Ottawa Carleton Soccer League:

Opinion

We have audited the accompanying financial statements of Ottawa Carleton Soccer League (the "League"), which comprise the statement of financial position as at October 31, 2024, and the statements of operations, changes in net assets and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ottawa Carleton Soccer League as at October 31, 2024, and the results of its operations and its 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 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 League in accordance with the 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 audit opinion.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the financial statements and our auditor's report thereon.

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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the applicable financial reporting framework, 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 these financial statements, management is responsible for assessing the League's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the League or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the League'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 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 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 League'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 League'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 League 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.

OTTAWA CARLETON SOCCER LEAGUE

Statement of Financial Position

October 31, 2024, with comparative figures for 2023

	2024	2023
Assets		
Current assets		
Cash	\$ 138,117	\$ 56,518
Short-term investments (Note 2)	5,952	5,147
Accounts receivable	14,637	68,575
Prepaid expenses	1,986	1,986
	<u>\$ 160,692</u>	<u>\$ 132,226</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued charges	\$ 46,694	\$ 24,566
HST payable	16,018	17,995
Other government remittances payable	1,722	1,163
Current portion of long-term debt (Note 3)	-	59,425
	<u>64,434</u>	<u>103,149</u>
Commitments (Note 4)		
Net assets		
Operating Fund	78,681	11,500
Field Development Fund	17,577	17,577
	<u>96,258</u>	<u>29,077</u>
	<u>\$ 160,692</u>	<u>\$ 132,226</u>

Approved on behalf of the Board:

Director

Director

OTTAWA CARLETON SOCCER LEAGUE

Statement of Operations

Year ended October 31, 2024, with comparative figures for 2023

	Budget	2024	2023
	(Note 5)		
Revenue			
Field levy and field marking levy (Schedule A)	\$ 194,469	\$ 179,446	\$ 174,070
Team fees	120,987	133,279	122,588
CEBA loan forgiveness (Note 3)	-	20,000	-
Discipline	9,250	16,770	15,436
Miscellaneous	2,125	1,964	1,292
Interest income	-	806	-
Grant revenue	19,200	-	-
Sponsorships	-	-	25,000
Government assistance	-	-	106
	346,031	352,265	338,492
Expenses			
Bad debts	-	-	17,239
Bank charges and interest (recovery)	100	1,423	(535)
Field marking and permits (Schedule A)	184,200	156,740	174,740
Insurance	1,750	893	1,297
Interest on long-term debt	-	582	1,822
League management software	25,245	20,121	26,337
Maintenance and agreements	3,228	1,364	1,338
Memberships	1,450	1,000	1,500
Miscellaneous	4,000	640	4,014
Office expense	8,067	9,793	8,075
Office rent	3,654	3,548	3,548
Office salaries	86,392	65,635	83,621
Professional fees	15,200	17,680	16,418
Promotion	2,500	5,037	2,625
Referee fees	750	-	-
Travel	750	628	912
	337,286	285,084	342,951
Excess (deficiency) of revenue over expenses	\$ 8,745	\$ 67,181	\$ (4,459)

OTTAWA CARLETON SOCCER LEAGUE

Statement of Changes in Net Assets

Year ended October 31, 2024, with comparative figures for 2023

	Operating Fund	Field Development Fund	2024	2023
Balance, beginning of year	\$ 11,500	\$ 17,577	\$ 29,077	\$ 33,536
Excess (deficiency) of revenue over expenses	67,181	-	67,181	(4,459)
Balance, end of year	\$ 78,681	\$ 17,577	\$ 96,258	\$ 29,077

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OTTAWA CARLETON SOCCER LEAGUE

Cash Flow Statement

Year ended October 31, 2024, with comparative figures for 2023

	2024	2023
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 67,181	\$ (4,459)
Non-cash items:		
Interest free loan discount adjustments	576	1,714
Accrued interest on short-term investments	(806)	-
CEBA loan forgiveness income	(20,000)	-
Changes in non-cash working capital balances (Note 6)	74,648	(30,645)
Cash provided by (used in) operating activities	121,599	(33,390)
Investing activities		
Proceeds from disposition of short-term investments	-	10,438
Cash provided by investing activities	-	10,438
Financing activities		
Repayment of long-term debt	(40,000)	-
Cash used in financing activities	(40,000)	-
Increase (decrease) in cash	81,599	(22,952)
Cash, beginning of year	56,518	79,470
Cash, end of year	\$ 138,117	\$ 56,518
Cash consists of:		
Operating account	\$ 106,137	\$ 44,981
Cash on hand	300	1,218
Cash held in the investment account	10,320	10,319
Undeposited funds	21,360	-
	\$ 138,117	\$ 56,518

OTTAWA CARLETON SOCCER LEAGUE

Notes to the Financial Statements

October 31, 2024, with comparative figures for 2023

Statutes of incorporation and nature of activities

The purpose of the Ottawa Carleton Soccer League (the "League") is to promote, develop, support and govern the game of soccer within its jurisdiction. The League is a not-for-profit organization incorporated without share capital under the laws of the Province of Ontario and is thus exempt from tax under subsection 149(1)(l) of the Income Tax Act.

1. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Fund accounting

The League maintains its accounts in accordance with the principles of fund accounting. Resources are classified for accounting and reporting purposes into funds according to the activity or object specified.

The Operating Fund reports the unrestricted revenue and expenses related to program delivery and administrative activities.

The Field Development Fund is an internally restricted fund which accumulates funds to develop a field for the sole use of teams in the League. Individual member clubs can choose to return the surplus paid to them each year towards the fund or add additional amounts to the fund.

Revenue recognition

The League uses the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are included in revenue in the year in which they are received or receivable, assuming collection is reasonably assured.

The League recognizes grant revenue when the related expenses have been incurred and collection is reasonably assured.

The League recognizes revenue for field levy and field marking levy, team fees, and discipline when invoiced and collection is reasonably assured.

Sponsorships are recognized when measurable and collection is reasonably assured.

Government assistance is recognized in the period to which the subsidy or grant relates.

All other revenue is accounted for when there is persuasive evidence that an arrangement exists, delivery has occurred, the price is fixed or determinable, and collection is reasonably assured.

Cash

The League's policy is to disclose bank balances and cash held in the investment account under cash.

OTTAWA CARLETON SOCCER LEAGUE

Notes to the Financial Statements

October 31, 2024, with comparative figures for 2023

Short-term investments

The League's financial assets measured at fair value include the Guaranteed Investment Certificates which are measured at cost plus accrued interest which approximates their fair market value.

Capital assets

In accordance with Canadian accounting standards for not-for-profit organizations, small not-for-profit organizations, defined as those with average annual revenues less than \$500,000, can choose not to recognize capital assets on their statement of financial position. Therefore, capital assets are charged to expenses on the statement of operations. Per Accounting Standards for Non-Profit Organizations (ASNPO) 4433.26 (c), the amount of capital assets expensed must be disclosed. During the year, the League expensed capital assets in the amount of \$Nil (2023: \$Nil). The League's capital assets consist of office furniture and computers.

Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the amounts of revenue and expenses during the period. In the opinion of management, these financial statements reflect all adjustments necessary to present fairly the results of the periods presented. Actual results could differ from these reported estimates.

Significant estimates include the collectability of accounts receivable and completeness of accounts payable and accrued charges.

2. Short-term investments

	2024	2023
Guaranteed Investment Certificate, matured November 15, 2023, bearing interest at 4.50% per annum	\$ -	\$ 5,147
Guaranteed Investment Certificate, maturing December 16, 2024, bearing interest at 5.71% per annum	5,952	-
	\$ 5,952	\$ 5,147

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Notes to the Financial Statements

October 31, 2024, with comparative figures for 2023

3. Long-term debt

	2024	2023
Canada Emergency Business Account (CEBA) loan, interest free, due January 18, 2024 with \$20,000 loan forgiveness if repaid in full by the maturity date. The loan was repaid in full prior to January 18, 2024, and therefore the \$20,000 loan forgiveness was recognized as income in current year	\$ -	\$ 60,000
Canada Emergency Business Account (CEBA) loan, discounting for interest free status at a rate of 5% per annum over the interest free term of the loan	-	(575)
	-	59,425
Current portion of long-term debt	-	59,425
	\$ -	\$ -

4. Commitments

Future minimum rental payments required under operating leases for premises and that have initial lease terms in excess of one year at October 31, 2024 are as follows:

The League has entered into a three-year licensing agreement with E2E Soccer Limited for scheduling software, effective from the 2024 fiscal year through to the 2026 fiscal year. The subscription fee is based on the number of teams registered each season, at a rate of \$99 plus HST per team. For the 2024 fiscal year, 259 teams were registered.

	Premises
2025	\$ 8,626
2026	7,188
	\$ 15,814

5. Budget

The budgeted figures are for information purposes only and have not been audited or reviewed.

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Notes to the Financial Statements

October 31, 2024, with comparative figures for 2023

6. Changes in non-cash working capital balances

Changes in non-cash working capital balances have provided (used) cash as follows:

	2024	2023
Accounts receivable	\$ 53,938	\$ (22,899)
Accounts payable and accrued charges	22,128	(13,832)
HST payable	(1,977)	7,179
Other government remittances payable	559	(1,093)
	\$ 74,648	\$ (30,645)

7. Related party transactions

During the year, the general manager of the League played in a member organization and its members of the Board of Directors also served in senior Board positions of its member organizations. Total fees billed to these ten organizations for the year were \$125,533 (2023: ten organizations for the year were \$101,977). There were \$1,245 (2023: \$28,212) accounts receivable outstanding at year end related to the fees.

Related party transactions occur in the normal course of operations and are recorded at the exchange amount.

8. Financial instruments

Risk and concentrations

The League is exposed to various risks through its financial instruments. The following analysis provides a measure of the risk exposures and concentrations at the statement of financial position date, October 31, 2024.

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 League's main credit risks relate to its accounts receivable. The League provides credit to its members in the normal course of its operations.

During the year, the League adopted "No Pay No Play" policy to reduce its credit risk. As a result of the decrease in accounts receivable, it is management's opinion that credit risk has decreased since October 31, 2023.

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October 31, 2024, with comparative figures for 2023

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The League is exposed to this risk mainly in respect of its accounts payable and accrued charges, HST payable, and its commitments.

It is management's opinion that liquidity risk has decreased since October 31, 2023, as a result of repayment of long-term debt this year.

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Schedules of field and marking levies and costs

Schedule A

Year ended October 31, 2024

	Standard	Standard Lit	Premium	2024 Total
Field levy and field marking levy revenue \$	91,953	\$ 17,491	\$ 70,002	\$ 179,446
Field marking and permits expense	(71,366)	(8,610)	(76,764)	(156,740)
	\$ 20,587	\$ 8,881	\$ (6,762)	\$ 22,706

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