

RUSSELL SOCCER CLUB
Financial Statements
Year Ended September 30, 2014

RUSSELL SOCCER CLUB
Index to Financial Statements
Year Ended September 30, 2014

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations - General Fund	5
Statement of Operations - Internally Restricted Fund	6
Statement of Cash Flow	7
Notes to Financial Statements	8 - 10

INDEPENDENT AUDITOR'S REPORT

To the Members of Russell Soccer Club

We have audited the accompanying financial statements of Russell Soccer Club, which comprise the statement of financial position as at September 30, 2014 and the statements of operations - general fund, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report to the Members of Russell Soccer Club *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Russell Soccer Club as at September 30, 2014 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Winchester, Ontario
March 25, 2015

Collins Barrow WCM LLP

Chartered Accountants, Licensed Public Accountants

RUSSELL SOCCER CLUB
Statement of Financial Position
September 30, 2014

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 51,848	\$ 42,442
Cash - internally restricted	9,609	24,246
Guaranteed investment certificates <i>(Note 4)</i>	11,015	10,997
Guaranteed investment certificates - internally restricted <i>(Note 4)</i>	38,869	-
Accounts receivable	13,430	15,172
Prepays	3,922	2,596
	128,693	95,453
CAPITAL ASSETS <i>(Note 5)</i>	222,902	233,137
	\$ 351,595	\$ 328,590
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 14,318	\$ 19,178
Deferred income	7,300	7,300
	21,618	26,478
NET ASSETS		
General fund	281,499	277,866
Internally restricted fund	48,478	24,246
	329,977	302,112
	\$ 351,595	\$ 328,590

ON BEHALF OF THE BOARD



RUSSELL SOCCER CLUB
Statement of Changes in Net Assets
Year Ended September 30, 2014

	General Fund	Internally Restricted Fund	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 277,866	\$ 24,246	\$ 302,112	\$ 287,162
EXCESS OF REVENUE OVER EXPENSES	3,633	24,232	27,865	21,461
NET ASSETS - END OF YEAR	\$ 281,499	\$ 48,478	\$ 329,977	\$ 308,623

RUSSELL SOCCER CLUB
Statement of Operations - General Fund
Year Ended September 30, 2014

	2014	2013
REVENUE		
Registration	\$ 201,585	\$ 188,885
Clinics and workshops	1,610	3,219
Grants and subsidies	2,500	500
Maintenance services	11,610	10,930
Sponsorships	7,920	6,842
Tournaments	12,495	11,050
Interest income	18	16
Other	-	30
	237,738	221,472
EXPENSES		
Amortization	13,809	12,579
Association fees	42,812	40,727
Clinics and workshops	3,227	4,973
Contract labour	11,618	11,733
Credit card fees	3,796	-
Field maintenance	44,218	41,957
Insurance	2,973	2,829
Interest and bank charges	275	367
(Gain) loss on disposal of assets	-	(58)
Medals and awards - house league	3,946	3,699
Medals and awards - representative league	1,566	-
Miscellaneous	646	499
Office	3,522	4,168
Online registration	4,052	-
Professional fees	6,667	6,893
Promotional items and supplies - house league	17,830	14,938
Promotional items and supplies - representative league	6,044	12,132
Referees	27,039	22,657
Telephone	2,527	2,263
Tournament expenses	10,106	7,954
Uniforms - house league	20,716	25,648
Uniforms - representative league	6,716	13,509
	234,105	229,467
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	3,633	(7,995)

RUSSELL SOCCER CLUB
Statement of Operations - Internally Restricted Fund
Year Ended September 30

	2014	2013
INTERNALLY RESTRICTED FUND REVENUE		
Fundraising revenue	\$ 16,773	\$ 15,351
Registration surcharges and sponsorships	14,380	13,930
Grants	150	175
Interest income	243	-
	31,546	29,456
INTERNALLY RESTRICTED FUND EXPENSES		
Fundraising expenses	7,314	6,511
	7,314	6,511
EXCESS OF INTERNALLY RESTRICTED FUND REVENUE OVER INTERNALLY RESTRICTED FUND EXPENSES	\$ 24,232	\$ 22,945

RUSSELL SOCCER CLUB
Statement of Cash Flow
Year Ended September 30, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 27,865	\$ 14,950
Items not affecting cash:		
Amortization	13,809	12,579
(Gain) loss on disposal of assets	-	(58)
	<u>41,674</u>	<u>27,471</u>
Changes in non-cash working capital:		
Accounts receivable	1,742	(2,843)
Accounts payable and accrued liabilities	(4,859)	(2,452)
Prepays	(1,326)	873
Deferred income	-	(10,775)
	<u>(4,443)</u>	<u>(15,197)</u>
Cash flow from operating activities	<u>37,231</u>	<u>12,274</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,575)	(15,710)
Proceeds on disposal of property, plant and equipment	-	1,356
Investment in guaranteed investment certificates	(18)	(16)
Investment in guaranteed investment certificates - internally restricted	(38,869)	-
Cash flow used by investing activities	<u>(42,462)</u>	<u>(14,370)</u>
DECREASE IN CASH FLOW	(5,231)	(2,096)
Cash - beginning of year	66,688	68,784
CASH - END OF YEAR	\$ 61,457	\$ 66,688
CASH CONSISTS OF:		
Cash	\$ 51,848	\$ 42,442
Cash - internally restricted	9,609	24,246
	<u>\$ 61,457</u>	<u>\$ 66,688</u>

RUSSELL SOCCER CLUB
Notes to Financial Statements
Year Ended September 30, 2014

1. NATURE OF ORGANIZATION

The purpose of the club is to promote and develop the game of soccer for the benefit of the residents of the Township of Russell, while fostering fair play and sportsmanship. The general membership consists of registered players, coaches, game officials, administrators and named social members. The governing body is a board of directors elected (and appointed) from the membership. The Russell Soccer Club was incorporated under the Ontario Corporations Act without share capital on September 10, 2003. For Canadian income tax purposes, the club qualifies as a not-for-profit organization, which is exempt from income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Basis of Accounting

Revenues and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable and an expenditure is recognized when incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

Financial Instruments Policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Capital Assets

Capital Assets are stated at cost less accumulated amortization. Capital Assets are amortized over their estimated useful lives at the following rates and methods:

Soccer fields	25 years	straight-line method
Equipment	20%	declining balance method
Computer	30%	declining balance method

Government Assistance

Government assistance for acquiring fixed assets is recorded as a reduction of the cost of related assets.

(continues)

RUSSELL SOCCER CLUB
Notes to Financial Statements
Year Ended September 30, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

- (a) Revenue is recognized from registrations and sponsorships over the term of the soccer season.
- (b) Revenue from services is recorded at the time the service is rendered in the normal course of of business.

Fund Accounting

The General Fund reports revenues and expenses related to the day to day operation and administration of the organization.

Reserve Fund

The organization has established an internally restricted fund for financing future new and existing field development. Only major repairs, replacements and acquisitions are charged directly to this fund.

Minor repairs and replacements are charged to field maintenance expense in the general fund.

The organization segregates monies accumulated for the purpose of financing future charges into a Reserve Fund for use only to finance such charges. Interest earned on these restricted funds is credited directly to the fund.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements. Such estimates include providing for an allowance for doubtful accounts, amortization period for capital and year end accruals. Actual results could differ from these estimates.

RUSSELL SOCCER CLUB
Notes to Financial Statements
Year Ended September 30, 2014

3. FINANCIAL INSTRUMENTS

The significant financial risks to which the company is exposed are credit risk and fair value risk.

Credit Risk

The financial instruments that potentially subject the company to a significant concentration of credit risk consist primarily of cash and accounts receivable. The company mitigates its exposure to credit loss by placing its cash with major financial institutions. The company routinely assesses the financial strength of its customers and, as a consequence, believes that its accounts receivable credit risk exposure is limited.

Interest Rate

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the company manages exposure through its normal operating and financing activities. The company is exposed to interest rate risk primarily through its fixed rate guaranteed investment certificates.

4. GUARANTEED INVESTMENT CERTIFICATES

There are three guaranteed investment certificates, held at a chartered bank, earning fixed rates of between 1.3% and 1.35% per annum. The maturity dates are November 7, 2014, April 23, 2015, and September 29, 2015.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Soccer fields	\$ 230,864	\$ 27,704	\$ 203,160	\$ 212,395
Equipment	29,284	10,023	19,261	20,054
Computer	1,156	675	481	688
	\$ 261,304	\$ 38,402	\$ 222,902	\$ 233,137

During the year, capital assets were acquired at an aggregate cost of \$3,575. Capital assets were paid for with cash.

6. DUE TO DIRECTORS

Included in accounts payable are amounts due to directors of \$1,042. Transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed upon.
