

RUSSELL SOCCER CLUB
Financial Statements
Year Ended September 30, 2013

RUSSELL SOCCER CLUB
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Year Ended September 30, 2013

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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, 2013, and the statements of operations - general fund and reserve fund, changes in net assets and cash flows 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 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 qualified audit opinion.

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

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising, registration and related revenue, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Russell Soccer Club as at September 30, 2013 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.

Comparative Information

Without modifying our opinion, we draw attention to Note 2 of the financial statements which describes that Russell Soccer Club adopted Canadian accounting standards for not-for-profit organizations on October 1, 2012 with a transition date of October 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial positions as at September 30, 2012 and October 1, 2011 and the statements of operations - general fund, changes in net assets and cash flows for the year ended September 30, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Winchester, Ontario
April 14, 2014

Collins Barrow WCM LLP

Chartered Accountants, Licensed Public Accountants

RUSSELL SOCCER CLUB
Statement of Financial Position
September 30, 2013

	<i>September 30</i> 2013	<i>September 30</i> 2012	<i>October 1</i> 2011
ASSETS			
CURRENT			
Cash	\$ 42,442	\$ 52,483	\$ 5,342
Restricted cash	24,246	16,301	18,278
Guaranteed investment certificates <i>(Note 5)</i>	10,997	10,981	40,846
Accounts receivable	15,172	12,329	9,586
Prepays	2,596	3,469	1,908
	95,453	95,563	75,960
CAPITAL ASSETS <i>(Note 6)</i>	233,137	231,305	209,057
	\$ 328,590	\$ 326,868	\$ 285,017
LIABILITIES AND NET ASSETS			
CURRENT			
Accounts payable and accrued liabilities	\$ 19,178	\$ 21,631	\$ 9,440
Deferred income	7,300	18,075	7,885
	26,478	39,706	17,325
NET ASSETS			
General fund	277,866	270,861	249,414
Restricted fund	24,246	16,301	18,278
	302,112	287,162	267,692
	\$ 328,590	\$ 326,868	\$ 285,017

ON BEHALF OF THE BOARD



RUSSELL SOCCER CLUB
Statement of Changes in Net Assets
Year Ended September 30, 2013

	General Fund	Restricted Fund	2013	2012
NET ASSETS - BEGINNING OF YEAR	\$ 270,861	\$ 16,301	\$ 287,162	\$ 267,692
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(7,995)	22,945	14,950	19,470
INTERFUND TRANSFER	15,000	(15,000)	-	-
NET ASSETS - END OF YEAR	\$ 277,866	\$ 24,246	\$ 302,112	\$ 287,162

RUSSELL SOCCER CLUB
Statement of Operations - General Fund
Year Ended September 30, 2013

	2013	2012
GENERAL FUND REVENUE		
Registration	\$ 188,885	\$ 183,250
Clinics and workshops	3,219	3,275
Grants and subsidies	500	1,500
Maintenance services	10,930	12,070
Sponsorships	6,842	7,450
Tournaments	11,050	11,745
Interest income	16	143
Fundraising activities (net of related expenses)	-	846
Other	30	85
	221,472	220,364
GENERAL FUND EXPENDITURES		
Advertising and promotion	-	1,205
Amortization	12,579	10,770
Association fees	40,727	36,101
Clinics and workshops	4,973	7,060
Contract labour	11,733	12,049
Field maintenance	41,957	31,561
Insurance	2,829	2,521
Interest and bank charges	367	394
(Gain) loss on disposal of assets	(58)	299
Medals and awards - house league	3,699	6,207
Medals and awards - representative league	-	1,612
Miscellaneous	499	379
Office	4,168	3,382
Professional fees	6,893	7,180
Promotional items and supplies - house league	14,938	15,750
Promotional items and supplies - representative league	12,132	13,321
Referees	22,657	20,782
Telephone	2,263	1,482
Tournament expenses	7,954	6,271
Uniforms - house league	25,648	33,379
Uniforms - representative league	13,509	12,886
	229,467	224,591
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FOR THE YEAR	\$ (7,995)	\$ (4,227)

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

	2013	2012
RESERVE FUND REVENUE		
Fundraising revenue (net of related expenses)	\$ 8,840	\$ 9,307
Registration surcharges and sponsorships	13,930	14,240
Grants	175	150
EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR	\$ 22,945	\$ 23,697

RUSSELL SOCCER CLUB
Statement of Cash Flows
Year Ended September 30, 2013

	2013	2012
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 14,950	\$ 19,470
Items not affecting cash:		
Amortization	12,579	10,770
(Gain) loss on disposal of assets	(58)	299
	<u>27,471</u>	<u>30,539</u>
Changes in non-cash working capital:		
Accounts receivable	(2,843)	(2,743)
Accounts payable and accrued liabilities	(2,452)	12,191
Prepays	873	(1,561)
Deferred income	(10,775)	10,190
	<u>(15,197)</u>	<u>18,077</u>
Cash flow from operating activities	<u>12,274</u>	<u>48,616</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(15,710)	(40,317)
Proceeds on disposal of property, plant and equipment	1,356	-
Government assistance received for purchase of capital assets	-	7,000
	<u>(14,354)</u>	<u>(33,317)</u>
Cash flow used by investing activities	<u>(14,354)</u>	<u>(33,317)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(2,080)	15,299
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>79,765</u>	<u>64,466</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 77,685	\$ 79,765
CASH CONSISTS OF:		
Cash	\$ 42,442	\$ 52,483
Restricted cash	24,246	16,301
Guaranteed investment certificates	10,997	10,981
	<u>\$ 77,685</u>	<u>\$ 79,765</u>

RUSSELL SOCCER CLUB
Notes to Financial Statements
Year Ended September 30, 2013

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. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR PRIVATE ENTERPRISES

During the year the organization adopted accounting standards for not-for-profit organizations (ASNPO). These financial statements are the first prepared in accordance with these standards. The changes have been applied retrospectively. The adoption of ASNPO had no impact on the previously reported assets, liabilities and equity of the organization and accordingly; no adjustments have been recorded in the comparative balance sheet, income statement, statement of retained earnings and the cash flow statement. Certain of the company's disclosures included in these financial statements reflect the new disclosure requirements of ASNPO.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations applied within the framework of the significant Canadian accounting policies summarized below:

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.

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RUSSELL SOCCER CLUB
Notes to Financial Statements
Year Ended September 30, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2013

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

Fair Value

The organization's carrying value of cash, restricted cash, guaranteed investment certificates, accounts receivable, accounts payable and accrued liabilities and deferred income approximates its fair value due to the immediate or short term maturity of these instruments.

5. GUARANTEED INVESTMENT CERTIFICATES

The guaranteed investment certificates are held at a chartered bank, are earning fixed rates of 0.15% per annum and mature April 26, 2014.

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Soccer fields	\$ 230,864	\$ 18,469	\$ 212,395	\$ 221,629
Equipment	25,709	5,655	20,054	8,693
Computer	1,156	468	688	983
	\$ 257,729	\$ 24,592	\$ 233,137	\$ 231,305

During the year, capital assets were acquired at an aggregate cost of \$15,710. Capital assets were paid for with cash.

7. DUE TO DIRECTORS

Included in accounts payable are amounts due to directors of \$835. 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.
