

RUSSELL SOCCER CLUB
Financial Statements
Year Ended September 30, 2015

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Index to Financial Statements
Year Ended September 30, 2015

	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 (<i>Schedule 1</i>)	6
Statement of Cash Flow	7
Notes to Financial Statements	8 - 11

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, 2015 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, 2015 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
February 9, 2016

Collins Barrow WCM LLP

Chartered Accountants, Licensed Public Accountants

RUSSELL SOCCER CLUB
Statement of Financial Position
September 30, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 62,662	\$ 51,848
Cash - internally restricted	53,324	9,609
Guaranteed investment certificates <i>(Note 4)</i>	-	11,015
Guaranteed investment certificates - internally restricted <i>(Note 4)</i>	16,655	38,869
Accounts receivable	16,254	13,430
Prepays	2,763	3,922
	151,658	128,693
CAPITAL ASSETS <i>(Note 5)</i>	215,265	222,902
	\$ 366,923	\$ 351,595
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 15,907	\$ 14,318
Deferred income	10,599	7,300
	26,506	21,618
NET ASSETS		
General fund	270,438	281,499
Internally restricted fund	69,979	48,478
	340,417	329,977
	\$ 366,923	\$ 351,595

ON BEHALF OF THE BOARD



RUSSELL SOCCER CLUB
Statement of Changes in Net Assets
Year Ended September 30, 2015

	General Fund	Internally Restricted Fund	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 281,499	\$ 48,478	\$ 329,977	\$ 302,112
Excess of revenues over expenses	(11,061)	21,501	10,440	27,865
NET ASSETS - END OF YEAR	\$ 270,438	\$ 69,979	\$ 340,417	\$ 329,977

RUSSELL SOCCER CLUB
Statement of Operations - General Fund
Year Ended September 30, 2015

	2015	2014
REVENUE		
Registration	\$ 201,013	\$ 201,585
Clinics and workshops	1,560	1,610
Grants and subsidies	500	2,500
Maintenance services	10,500	11,610
Sponsorships	6,750	7,920
Tournaments	16,615	12,495
Interest income	180	18
Other	441	-
	237,559	237,738
EXPENSES		
Amortization	13,853	13,809
Association fees	37,020	42,812
Bad debts	5,206	-
Clinics and workshops	3,542	3,227
Contract labour	11,442	11,618
Credit card fees	4,742	3,796
Field maintenance	36,231	44,218
Insurance	2,899	2,973
Interest and bank charges	355	275
Medals and awards - house league	8,430	3,946
Medals and awards - representative league	-	1,566
Miscellaneous	144	646
Office	2,742	3,522
Online registration	4,426	4,052
Professional fees	7,006	6,667
Promotional items and supplies - house league	18,117	17,830
Promotional items and supplies - representative league	2,733	6,044
Referees	31,497	27,039
Telephone	3,091	2,527
Tournament expenses	12,507	10,106
Uniforms - house league	33,370	20,716
Uniforms - representative league	9,267	6,716
	248,620	234,105
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	(11,061)	3,633

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

	2015	2014
INTERNALLY RESTRICTED FUND REVENUE		
Fundraising revenue	\$ 17,185	\$ 16,773
Registration surcharges and sponsorships	14,150	14,380
Grants	-	150
Interest income	356	243
	31,691	31,546
INTERNALLY RESTRICTED FUND EXPENSES		
Fundraising expenses	10,190	7,314
	10,190	7,314
EXCESS OF INTERNALLY RESTRICTED FUND REVENUE OVER INTERNALLY RESTRICTED FUND EXPENSES	\$ 21,501	\$ 24,232

RUSSELL SOCCER CLUB
Statement of Cash Flow
Year Ended September 30, 2015

	2015	2014
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 263,982	\$ 270,765
Cash paid to suppliers and employees	(238,117)	(233,522)
Interest received	537	262
Interest paid	(356)	(274)
	26,046	37,231
INVESTING ACTIVITIES		
Purchase of capital assets	(4,746)	(3,575)
Proceeds from guaranteed investment certificates	11,015	(18)
Proceeds from guaranteed investment certificates - internally restricted	22,214	(38,869)
	28,483	(42,462)
Cash flow from (used by) investing activities	28,483	(42,462)
INCREASE (DECREASE) IN CASH FLOW	54,529	(5,231)
Cash - beginning of year	61,457	66,688
CASH - END OF YEAR	\$ 115,986	\$ 61,457
CASH CONSISTS OF:		
Cash	\$ 62,662	\$ 51,848
Cash - internally restricted	53,324	9,609
	\$ 115,986	\$ 61,457

RUSSELL SOCCER CLUB
Notes to Financial Statements
Year Ended September 30, 2015

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, 2015

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.

Internally Restricted 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 Internally Restricted Fund for use only to finance such charges. Interest earned on these internally 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, 2015

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 is one guaranteed investment certificate, held at a chartered bank, earning a fixed rate of 0.9% per annum. The maturity date is November 7, 2015.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Soccer fields	\$ 230,864	\$ 36,938	\$ 193,926	\$ 203,160
Equipment	35,499	14,497	21,002	19,261
Computer	1,156	819	337	481
	\$ 267,519	\$ 52,254	\$ 215,265	\$ 222,902

During the year, tangible capital assets were acquired at an aggregate cost of \$6,215, which were paid for with a combination of cash and sponsorship credit in lieu of cash payment.

The organization purchased a piece of equipment valued at \$2,825. The organization paid \$1,356 cash and provided the vendor with a 4 year sponsorship benefit valued at \$1,469. The transaction has been measured at the fair market value of the asset acquired.

6. DUE TO DIRECTORS

Included in accounts payable are amounts due to directors of \$898. 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.

RUSSELL SOCCER CLUB
Notes to Financial Statements
Year Ended September 30, 2015

7. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
