

ORANGEVILLE MINOR SOCCER CLUB INC.

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2012

INDEPENDENT AUDITOR'S REPORT

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To the Members of Orangeville Minor Soccer Club Inc.

I have audited the accompanying financial statements of Orangeville Minor Soccer Club Inc., which comprise the statement of financial position as at September 30, 2012 and the statements of operations and operating fund balance and of 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 generally accepted accounting principles, 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 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 presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of Orangeville Minor Soccer Club Inc. as at September 30, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Catherine M. Campbell  
Chartered Accountant  
Licensed Public Accountant

Orangeville, Ontario  
December 4, 2012

ORANGEVILLE MINOR SOCCER CLUB INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

(with comparative amounts for the year ended September 30, 2011)

	2012	2011
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	9,478	23,630
Net change in non-cash working capital balances related to operations:		
Accounts receivable	(2,333)	4,047
Prepaid expenses	1,859	7,438
Accounts payable and accrued liabilities	(5,096)	12,110
Deferred revenue	(11,503)	(2,802)
	<u>(7,595)</u>	<u>44,423</u>
<b>Investing activities</b>		
Decrease (increase) in investments	<u>104,240</u>	<u>(16,488)</u>
<b>Increase in cash for the year</b>	<b>96,645</b>	<b>27,935</b>
<b>Cash - beginning of year</b>	<u><b>82,525</b></u>	<u><b>54,590</b></u>
<b>Cash - end of year</b>	<u><b>179,170</b></u>	<u><b>82,525</b></u>

See accompanying notes to the financial statements

ORANGEVILLE MINOR SOCCER CLUB INC.  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2012

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**1. Nature of operations**

Orangeville Minor Soccer Club Inc. ("the Corporation") was incorporated without share capital on February 20, 1986 under the laws of the Province of Ontario and is governed by a board of directors. The purpose of the Corporation is to foster, develop and promote the discipline of soccer and to provide organized teams at both the recreational and the competitive level in Orangeville, Ontario. The Corporation is a member of the Ontario Soccer Association and the South West Regional Soccer Association.

For Canadian income tax purposes, the Corporation is considered a not-for-profit organization and is therefore exempt from income tax under the Income Tax Act.

**2. Summary of significant accounting policies**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Fund Accounting

The Corporation follows the deferral method of accounting for contributions.

The operating fund reports the revenue and expenses related to the operations of the Corporation. Article 15 of the Corporation's by-laws states that in the event of dissolution, the board of directors is authorized to distribute the remaining balance of the operating fund to one or more not-for-profit soccer related organizations or any not-for-profit athletic community organization, which operate solely in Ontario.

Revenue recognition

Revenue related to operations is recognized as revenue of the operating fund in the year in which the related expenses are incurred. Interest income is recognized as it is earned.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires directors and management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from their best estimates as additional information becomes available in the future and adjustments, if any, are recorded as that information becomes known.

Contributed Services

Directors and committee members volunteer their time to assist in the Corporation's activities. While these services benefit the Corporation considerably, a reasonable estimate of their amount and fair value cannot be made and accordingly, these contributed services are not recognized in the financial statements.

Future accounting changes

In December 2010, the CICA issued a new accounting framework applicable to not-for-profit organizations. Effective for fiscal years beginning on or after January 1, 2012, not-for-profit organizations will have to choose between International Financial Reporting Standards (IFRS) and Canadian accounting standards for not-for-profit organizations. Early adoption of these standards is permitted. The Corporation currently plans to adopt the Canadian accounting standards for not-for-profit organizations for its fiscal year beginning on October 1, 2012. The impact of transitioning to these new standards has not been determined at this time.

ORANGEVILLE MINOR SOCCER CLUB INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED SEPTEMBER 30, 2012

**3. Investments**

	<u>2012</u>	<u>2011</u>
Cashable GIC, annual interest rate of 1.45%, matured September 14, 2012	-	15,227
Cashable GIC, annual interest rate of 0.85%, matured September 24, 2012	-	89,013
	<u>-</u>	<u>104,240</u>

**4. Deferred revenue**

Deferred revenue is comprised of the following registration fees and sponsorships received in the current year that relate to the indoor season which takes place during the next fiscal year.

	<u>2012</u>	<u>2011</u>
Registration fees	22,730	34,233
Sponsorships	3,600	3,600
	<u>26,330</u>	<u>37,833</u>

**5. Budget information**

The 2012 budget amounts presented for comparative purposes in the Statement of Operations are unaudited and are those approved by the board of directors.

**6. Related Party Transactions**

No remuneration was paid to directors and officers during the year and they had no interest in any transactions of the Corporation.

**7. Capital disclosures**

The Corporation considers its operating fund balance as its capital. The operating fund balance at September 30, 2012 was \$155,623 (2011 - \$146,145).

The Corporation's objective when managing its capital is to maintain a financial position sufficient to fund its operations and to meet its current obligations. There were no changes in the Corporation's overall capital management strategy during the year nor was the Corporation subject to any externally imposed capital requirements during the year.

**8. Contractual obligations**

The Corporation leases its office premises under a lease expiring on November 30, 2013. The combined minimum lease payments and TMI for fiscal 2013 are \$16,654.

The Corporation leases an indoor soccer field under a lease expiring on May 15, 2013. The minimum lease payments for fiscal 2013 are \$72,153.

ORANGEVILLE MINOR SOCCER CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2012

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**9. Financial Instruments**

The Corporation's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities.

Cash and investments are classified as "Held-for-trading" and are measured at fair value.

Accounts receivable are classified as "Loans and receivables" and are carried at amortized cost, using the effective interest method. The carrying amounts of accounts receivable approximate their fair value due to the short-term maturity of these instruments.

Accounts payable and accrued liabilities are classified as "Other liabilities" and are carried at amortized cost, using the effective interest method. The carrying amounts of accounts payable and accrued liabilities approximate their fair value due to the short-term maturity of these instruments.

Unless otherwise noted, it is the opinion of the board of directors that the Corporation is not exposed to significant interest rate, currency or credit risks arising from its financial instruments.