

Orangeville Minor Soccer Club Inc.

Financial Statements

Year ended September 30, 2015

Independent Auditor's Report

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, 2015 and the statements of operations and operating fund 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 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

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, 2015 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.

Catherine M Campbell

Catherine M. Campbell
Chartered Professional Accountant
Licensed Public Accountant

Orangeville, Ontario
December 16, 2015

Orangeville Minor Soccer Club Inc.

Statement of Financial Position

As at September 30, 2015

(with comparative amounts as at September 30, 2014)

	2015	2014
Assets		
Current assets		
Cash	190,143	151,566
Investments (Note 3)	87,286	86,534
Accounts receivable	1,294	1,153
Prepaid expenses	15,582	17,730
	<u>294,305</u>	<u>256,983</u>
Liabilities and Fund Balances		
Current liabilities		
Accounts payable and accrued liabilities	21,960	11,176
Deferred revenue (Note 4)	66,109	53,288
	<u>88,069</u>	<u>64,464</u>
Fund Balances		
Operating fund	206,236	192,519
	<u>294,305</u>	<u>256,983</u>

Approved on behalf of the board:



Director



Director

See accompanying notes to the financial statements

Orangeville Minor Soccer Club Inc.**Statement of Operations and Operating Fund****For the year ended September 30, 2015**

(with comparative amounts for the year ended September 30, 2014)

	2015	2015	2014
	Actual	Budget	Actual
		(Note 5)	
Revenue			
Registrations	355,415	322,800	336,861
Sponsorships	23,000	20,200	22,900
Interest and other income	4,681	1,000	3,563
	383,096	344,000	363,324
Expenses			
Administrator contract	19,998	20,000	18,032
Advertising	4,300	4,000	5,763
Association fees	23,307	23,500	23,189
Awards and presentations	11,037	9,000	6,959
Bank charges	206	250	201
Bad debts (recovered)	(300)	1,000	-
Equipment and supplies	3,696	4,750	5,936
Field maintenance	19,200	18,500	15,748
Field rental	82,856	85,000	73,005
Internet	5,530	7,000	3,916
Insurance and bonds	2,034	1,500	1,457
Office and general	3,527	3,975	3,469
On-line processing fees	7,884	7,500	7,173
Photography	4,114	4,350	3,971
Player development	13,462	15,000	2,595
Professional development	9,724	7,500	7,278
Professional fees	5,113	2,800	4,540
Referee fees	46,109	36,250	35,887
Rent and utilities	22,388	24,000	21,477
Special events	2,471	1,500	600
Telephone	978	1,000	975
Travel teams league registration fees and fines	5,801	7,125	7,172
Travel teams allotments	6,507	5,500	7,311
Uniforms	69,437	72,500	70,627
	369,379	363,500	327,281
Excess (deficiency) of revenue over expenses for the year	13,717	(19,500)	36,043
Operating fund - beginning of year	192,519	192,519	156,476
Operating fund - end of year	206,236	173,019	192,519

See accompanying notes to the financial statements

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Orangeville Minor Soccer Club Inc.

Statement of Cash Flows

For the year ended September 30, 2015

(with comparative amounts for the year ended September 30, 2014)

	2015	2014
Cash provided by (used in):		
Operating activities		
Excess of revenue over expenses	13,717	36,043
Net change in non-cash working capital balances related to operations:		
Accounts receivable	(141)	2,753
Prepaid expenses	2,148	(14,519)
Accounts payable and accrued liabilities	10,784	1,530
Deferred revenue	12,821	19,416
	39,329	45,223
Investing activities		
Decrease (increase) in investments	(752)	(940)
Increase in cash for the year	38,577	44,283
Cash - beginning of year	151,566	107,283
Cash - end of year	190,143	151,566

Orangeville Minor Soccer Club Inc.

Notes to the financial statements

Year ended September 30, 2015

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 accounting standards for not-for-profit organizations 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.

Financial instruments

The Corporation records its financial assets and financial liabilities at fair value when acquired. The Corporation subsequently measures its financial assets and financial liabilities at amortized cost. Transaction costs incurred on acquisition are charged to the financial instrument. At the end of each reporting period, financial instruments are assessed for impairment if there are indicators of impairment.

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 accounting standards for not-for-profit organizations 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.

Orangeville Minor Soccer Club Inc.

Notes to the financial statements

Year ended September 30, 2015

3. Investments

	<u>2015</u>	<u>2014</u>
Cashable GIC, 0.80% annual interest rate, matured November 17, 2014	-	34,515
Non-redeemable GIC, 1.35% annual interest rate, matured December 16, 2014	-	52,019
Cashable GIC, 0.80% annual interest rate, matures November 17, 2015	34,792	-
Cashable GIC, 0.80% annual interest rate, matures December 16, 2015	52,494	-
	<u>87,286</u>	<u>86,534</u>

4. Deferred revenue

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

	<u>2015</u>	<u>2014</u>
Registration fees	59,909	50,688
Sponsorships	6,200	2,600
	<u>66,109</u>	<u>53,288</u>

5. Budget information

The 2015 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

Total fees of \$4,167 (2014 - Nil) were paid to a director of the Corporation during the year for head referee services. These transactions were in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties.

7. Contractual obligations

The Corporation leases its office premises under a lease expiring on November 30, 2016. The combined minimum lease payments and TMI for the remaining term of the lease are \$18,452 for fiscal 2016 and \$3,094 for fiscal 2017.

The Corporation leases an indoor soccer field under a lease expiring on May 14, 2017. The minimum lease payments are \$83,757 for fiscal 2016 and \$85,849 for fiscal 2017.

Orangeville Minor Soccer Club Inc.

Notes to the financial statements

Year ended September 30, 2015

8. Financial risks

The Corporation is exposed to various risks through its financial instruments. The following describes the Corporation's risk exposure as at September 30, 2015. There has been no change in risk exposure from previous years.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity by monitoring its operating requirements. The Corporation prepares a budget annually to ensure that it has sufficient funds to meet its financial obligations.

Credit risk

The Corporation is exposed to credit risk in connection with its accounts receivable. The maximum exposure to credit risk is the carrying value of accounts receivable.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Corporation is exposed to interest rate risk on its investments.