

Orangeville Minor Soccer Club Inc.

Financial Statements

Year ended September 30, 2016

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, 2016 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, 2016 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

Mono, Ontario
January 17, 2017

Orangeville Minor Soccer Club Inc.

Statement of Financial Position

As at September 30, 2016

(with comparative amounts as at September 30, 2015)

Independent Auditor's Report

2016 2015

Assets

Current assets

Cash	328,602	190,143
Investments	-	87,286
Accounts receivable	2,401	1,294
Prepaid expenses	13,994	15,582
	344,997	294,305

Liabilities and Fund Balances

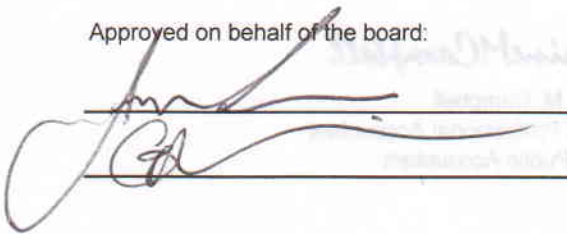

Current liabilities

Accounts payable and accrued liabilities	19,214	21,960
Deferred revenue (Note 3)	64,777	66,109
Deferred grant revenue	15,221	-
	99,212	88,069

Fund Balances

Operating fund	245,785	206,236
	344,997	294,305

Approved on behalf of the board:

 _____ Director
 _____ Director

Orangeville Minor Soccer Club Inc.

Statement of Operations and Operating Fund

For the year ended September 30, 2016

(with comparative amounts for the year ended September 30, 2015)

	2016	2016	2015
	Actual	Budget	Actual
		(Note 5)	
Revenue			
Registrations	392,160	358,600	355,415
Sponsorships	28,700	23,400	23,000
Government grant (Note 4)	9,500	-	-
Interest and other income	2,059	2,000	4,681
	432,419	384,000	383,096
Expenses			
Administrator contract	20,628	20,000	19,998
Advertising	3,809	5,000	4,300
Association fees	25,381	25,600	23,307
Awards and presentations	11,031	11,500	11,037
Bank charges	173	250	206
Bad debts (recovered)	300	300	(300)
Consulting fees	1,250	-	-
Equipment and supplies	4,377	4,400	3,696
Field maintenance	15,629	21,750	19,200
Field rental	84,849	83,352	82,856
Grant coordinator and coach mentor fees	9,500	-	-
Internet and website	6,018	5,550	5,530
Insurance and bonds	2,356	2,100	2,034
Office and general	4,934	4,465	3,527
On-line processing fees	8,294	8,000	7,884
Photography	4,010	4,665	4,114
Player development	11,674	10,000	13,462
Professional development	15,474	8,100	9,724
Professional fees	5,200	5,200	5,113
Referee fees	50,143	53,850	46,109
Rent and utilities	22,785	22,900	22,388
Special events	1,396	2,600	2,471
Telephone	968	1,000	978
Travel teams league registration fees and fines	5,920	7,000	5,801
Travel teams allotments	7,057	8,000	6,507
Uniforms	69,714	68,400	69,437
	392,870	383,982	369,379
Excess of revenue over expenses for the year	39,549	18	13,717
Operating fund - beginning of year	206,236	206,236	192,519
Operating fund - end of year	245,785	206,254	206,236

See accompanying notes to the financial statements

Orangeville Minor Soccer Club Inc.

Statement of Cash Flows

For the year ended September 30, 2016

(with comparative amounts for the year ended September 30, 2015)

	2016	2015
Cash provided by (used in):		
Operating activities		
Excess of revenue over expenses	39,549	13,717
Net change in non-cash working capital balances related to operations:		
Accounts receivable	(1,107)	(141)
Prepaid expenses	1,588	2,148
Accounts payable and accrued liabilities	(2,746)	10,784
Deferred revenue	(1,332)	12,821
Deferred grant revenue	15,221	-
	<u>51,173</u>	<u>39,329</u>
Investing activities		
Decrease (increase) in investments	87,286	(752)
Increase in cash for the year	<u>138,459</u>	<u>38,577</u>
Cash - beginning of year	<u>190,143</u>	<u>151,566</u>
Cash - end of year	<u>328,602</u>	<u>190,143</u>

See accompanying notes to the financial statements

Orangeville Minor Soccer Club Inc.

Notes to the financial statements

Year ended September 30, 2016

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, 2016

3. 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>2016</u>	<u>2015</u>
Registration fees	60,427	59,909
Sponsorships	4,350	6,200
	<u>64,777</u>	<u>66,109</u>

4. Government grant

Received during the year:

Ontario Ministry of Tourism, Culture and Sport
Less amount deferred to the 2017 fiscal year

	<u>2016</u>	<u>2015</u>
	24,721	-
	<u>(15,221)</u>	<u>-</u>
	<u>9,500</u>	<u>-</u>

5. Budget information

The 2016 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

Fees of \$833 (2015 - \$4,167) were paid to a director of the Corporation during the year for head referee services.

In addition, consulting fees of \$1,250 (2015 - Nil) and grant coordinator fees of \$1,500 (2015 - Nil) were paid to another director of the Corporation during the year.

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 September 30, 2017. The combined minimum lease payments and TMI for the remaining term of the lease are \$18,695 for fiscal 2017.

The Corporation leases an indoor soccer field under a lease expiring on May 14, 2017. The minimum lease payments are \$85,731 for fiscal 2017.

Orangeville Minor Soccer Club Inc.

Notes to the financial statements

Year ended September 30, 2016

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, 2016. 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.