

WHITBY IROQUOIS SOCCER CLUB INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

ROBERTS, MARLOWE, JACKSON, JACKSON & ASSOCIATES

Chartered Accountants

22 Stevenson Road South, Oshawa, Ontario L1J 5L9
Oshawa (905) 579-5531, Toronto (905) 427-0322
Fax (905) 579-4624 E-Mail: accounting@rmjj.ca
www.rmjj.ca

AUDITORS' REPORT

**TO THE BOARD OF DIRECTORS OF
WHITBY IROQUOIS SOCCER CLUB INC.
WHITBY, ONTARIO**

We have audited the statement of financial position of Whitby Iroquois Soccer Club Inc. as at September 30, 2009 and the statements of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations of this nature, we were unable to verify the completeness of certain registration, rental revenues and fundraising revenues received in cash, beyond ascertaining that the net receipts as recorded in the accounting records were deposited in the organization's bank account.

In our opinion, except for the effect of adjustments, if any, which we might have determined necessary, had we been able to satisfy ourselves concerning the completeness of certain revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Organization as at September 30, 2009 and the results of its operations and changes in its fund balances for the year then ended in accordance with Canadian generally accepted accounting principles. As required by The Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

ROBERTS, MARLOWE, JACKSON, JACKSON & ASSOCIATES

**Chartered Accountants, Licensed Public Accountants
October 29, 2009
Oshawa, Ontario**

WHITBY IROQUOIS SOCCER CLUB INC.

STATEMENT OF OPERATIONS - OPERATING FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>2009</u>	<u>2008</u>
Revenues		
Registration fees (Schedule A)	\$ 1,542,279	\$ 1,329,657
Sponsorship fees	57,623	32,400
Other miscellaneous revenue	27,670	34,888
Grants	-	24,200
Dome rental revenue	151,442	-
	<hr/> 1,779,014 <hr/>	<hr/> 1,421,145 <hr/>
Expenses		
Team expenses (Schedule B)	863,826	806,327
Player development expenses (Schedule C)	117,149	154,509
General and administrative expenses (Schedule D)	509,839	224,751
Advertising and promotional expenses (Schedule E)	61,991	54,902
	<hr/> 1,552,805 <hr/>	<hr/> 1,240,489 <hr/>
Excess of Revenue Over Expenses	\$ 226,209	\$ 180,656
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WHITBY IROQUOIS SOCCER CLUB INC.

STATEMENT OF OPERATIONS - BINGO FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>2009</u>	<u>2008</u>
Revenue	\$ 2,402	\$ 7,950
Expenses	-	-
Excess of Revenue Over Expenses	<u>\$ 2,402</u>	<u>\$ 7,950</u>

STATEMENT OF OPERATIONS - FIELD AND INDOOR FACILITIES FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>2009</u>	<u>2008</u>
Revenue		
Field development registration fees	\$ -	\$ 58,500
Expenses		
Amortization	101,614	35,273
	<u>101,614</u>	<u>35,273</u>
Excess (Deficiency) of Revenue Over Expenses	<u>\$ (101,614)</u>	<u>\$ 23,227</u>

WHITBY IROQUOIS SOCCER CLUB INC.**SCHEDULE A****REGISTRATION FEES****FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>2009</u>	<u>2008</u>
Indoor	\$ 124,160	\$ 36,795
Outdoor house league	1,066,162	951,449
Competitive teams	252,845	243,236
Player development	47,439	38,360
Whitby competitive tournaments	51,673	59,817
	<hr/>	<hr/>
	\$ 1,542,279	\$ 1,329,657
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TEAM EXPENSES**SCHEDULE B****FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>2009</u>	<u>2008</u>
Equipment and general	\$ 39,264	\$ 41,463
Field maintenance and utilities	79,044	88,784
End of season events	35,567	31,680
Indoor facilities rentals	19,807	17,254
Photographs	18,251	18,703
Referee fees	96,373	89,605
Team and player registration	161,973	137,288
Trophies	37,418	32,462
Whitby tournament expenses	27,800	38,812
Uniforms	348,329	310,276
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	\$ 863,826	\$ 806,327
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WHITBY IROQUOIS SOCCER CLUB INC.**SCHEDULE C****PLAYER DEVELOPMENT EXPENSES****FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>2009</u>	<u>2008</u>
Camp and development clinics	\$ 25,348	\$ 45,775
Instructional materials	2,791	2,187
Technical staff	89,010	106,547
	<hr/>	<hr/>
	\$ 117,149	\$ 154,509
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GENERAL AND ADMINISTRATIVE EXPENSES**SCHEDULE D****FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>2009</u>	<u>2008</u>
Administrative staff	\$ 221,076	\$ 111,415
Amortization	8,214	4,482
Dome utilities	99,869	-
Dome maintenance and repairs	25,584	-
Insurance	16,431	3,317
Office and general	8,467	9,184
Office equipment	5,458	6,659
Professional fees	12,715	8,390
Rent	24,059	26,307
Registration costs	49,970	32,603
Supplies	8,442	4,960
Telecommunications	26,661	15,259
Travel reimbursement	2,893	2,175
	<hr/>	<hr/>
	\$ 509,839	\$ 224,751
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ADVERTISING AND PROMOTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>2009</u>	<u>2008</u>
Advertising	\$ 8,021	\$ 2,876
Printing	14,929	10,023
Scholarship awards	4,000	4,000
Special events	35,041	38,003
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	\$ 61,991	\$ 54,902
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WHITBY IROQUOIS SOCCER CLUB INC.

STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Operating Fund	Bingo Fund	Field and Indoor Facilities Fund	2009 Total	2008 Total
Opening balance	\$ 471,343	\$ 2,650	\$ 801,494	\$ 1,275,487	\$ 1,063,654
Excess (deficiency) of revenue over expenses	226,209	2,402	(101,614)	126,997	211,833
Transfer to operating fund (Note 7)	5,052	(5,052)	-	-	-
Closing balance	<u>\$ 702,604</u>	<u>\$ -</u>	<u>\$ 699,880</u>	<u>\$ 1,402,484</u>	<u>\$ 1,275,487</u>

WHITBY IROQUOIS SOCCER CLUB INC.

(INCORPORATED WITHOUT SHARE CAPITAL UNDER THE LAWS OF THE PROVINCE OF ONTARIO)

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2009

	<u>Operating Fund</u>	<u>Bingo Fund</u>	<u>Field and Indoor Facilities Fund</u>	<u>2009 Total</u>	<u>2008 Total</u>
<u>ASSETS</u>					
Current					
Cash	\$ 31,396	\$ -	\$ -	\$ 31,396	\$ 116,834
Investments (Note 3)	752,803	-	-	752,803	388,137
Accounts receivable	18,919	-	-	18,919	1,936
Inventory (Note 2b)	12,928	-	-	12,928	18,435
Prepaid expenses	11,075	-	-	11,075	7,940
Due from Field and Indoor facilities fund	31,569	-	-	31,569	11,569
	<u>858,690</u>	<u>-</u>	<u>-</u>	<u>858,690</u>	<u>544,851</u>
Capital Lease Deposit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,000</u>
Property and equipment (Note 5)	<u>73,926</u>	<u>-</u>	<u>3,615,098</u>	<u>3,689,024</u>	<u>478,063</u>
	<u>\$ 932,616</u>	<u>\$ -</u>	<u>\$ 3,615,098</u>	<u>\$ 4,547,714</u>	<u>\$ 1,372,914</u>

Approved by the Board of Directors:

WHITBY IROQUOIS SOCCER CLUB INC.**(INCORPORATED WITHOUT SHARE CAPITAL UNDER THE LAWS OF THE PROVINCE OF ONTARIO)****STATEMENT OF FINANCIAL POSITION****AS AT SEPTEMBER 30, 2009**

	Operating Fund	Bingo Fund	Field and Indoor Facilities Fund	2009 Total	2008 Total
LIABILITIES					
Current					
Accounts payable and accrued charges	\$ 44,216	\$ -	\$ 85,330	\$ 129,546	\$ 77,975
GST payable	3,721	-	-	3,721	-
Deferred revenue (Note 8)	182,075	-	-	182,075	7,883
Due to Operating Fund	-	-	31,569	31,569	11,569
Current portion of capital lease	-	-	139,519	139,519	-
	<u>230,012</u>	<u>-</u>	<u>256,418</u>	<u>486,430</u>	<u>97,427</u>
Long Term					
Capital lease (Note 6)	-	-	2,658,800	2,658,800	-
FUND BALANCES					
Invested in property and equipment Restricted (Note 4)	73,926	-	699,880	773,806	478,063
Internally	-	-	-	-	323,431
Externally	-	-	-	-	21,941
Unrestricted	628,678	-	-	628,678	452,052
	<u>702,604</u>	<u>-</u>	<u>699,880</u>	<u>1,402,484</u>	<u>1,275,487</u>
	<u>\$ 932,616</u>	<u>\$ -</u>	<u>\$ 3,615,098</u>	<u>\$ 4,547,714</u>	<u>\$ 1,372,914</u>

WHITBY IROQUOIS SOCCER CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2009

1. Status and Nature of Activities

Whitby Iroquois Soccer Club Inc. is a not-for-profit organization which is exempt from income tax under the Income Tax Act.

Its purpose is to promote, develop and govern the athletic sport of soccer in and about the Town of Whitby, Durham Region.

2. Summary of Significant Accounting Policies

(a) Property and Equipment

Property and equipment is recorded at cost and amortized on a straight-line basis at the following annual rates:

Field development and indoor facilities	5%
Office equipment	20%
Field equipment	20%

(b) Inventory

Inventory consists of uniforms and equipment and is valued at the lower of cost and net realizable value with cost determined on a first-in first-out basis.

(c) Contributed Services

The club receives the services of volunteers who donate a considerable number of hours. Because of the difficulty of compiling these hours, contributed services are not recognized in these financial statements.

(d) Revenue Recognition

The club follows the restricted fund method in which externally restricted contributions (grants and fundraising) are recognized when received in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized in the general fund.

WIITBY IROQUOIS SOCCER CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2009

3. Investments

Investments are recorded at cost plus accrued interest and consist of guaranteed investment certificates of various maturities and bearing interest at rates ranging from 0.01% to 3.00% per annum.

4. Fund Accounting

The Operating Fund reports unrestricted and internally restricted resources and investment in property and equipment related to operations.

The Field and Indoor Facilities Fund reports internally restricted resources and investment in property and equipment related to field and indoor facilities development.

The Bingo Fund reports only externally restricted resources that are to be used pursuant to rules and regulations established for these types of funds by government authorities.

5. Property and Equipment

Property and equipment is stated as follows:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2009 Net</u>	<u>2008 Net</u>
Outdoor field development	\$ 705,452	\$ 262,662	\$ 442,790	\$ 478,063
Office equipment	34,772	3,477	31,295	-
Field equipment	73,058	30,427	42,631	-
	<u>813,282</u>	<u>296,566</u>	<u>516,716</u>	<u>478,063</u>
Capital Lease Asset Indoor facilities	3,253,649	81,341	3,172,308	-
	<u>\$ 4,066,931</u>	<u>\$ 377,907</u>	<u>\$ 3,689,024</u>	<u>\$ 478,063</u>

WHITBY IROQUOIS SOCCER CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2009

6. Capital Lease Obligation

The Club is committed to a capital lease with the Town of Whitby for the recently completed indoor facilities. The lease term is for 20 years ending on September 30, 2028 with a 20 year renewal option. The capital lease obligation of \$2,798,319 is repayable in monthly instalments of \$20,628.78 commencing October 30, 2009, includes interest calculated at 3.95% and matures on September 30, 2024. An additional \$2,975 monthly reserve fund contribution to the Town of Whitby is payable 36 months after the occupancy date of February 7, 2009 and is subject to a review every 4 years thereafter until the end of the initial lease term.

	\$ 2,798,319
Less: current portion	<u>139,519</u>
	<u>\$ 2,658,800</u>

Principal repayments, excluding reserve contributions due in the next five years are as follows:

2010	\$ 139,519
2011	145,131
2012	150,969
2013	157,041
2014 and beyond	<u>2,205,659</u>
	<u>\$ 2,798,319</u>

7. Inter-Fund Transfers

The purpose of the transfer from the Bingo Fund to the Operating Fund was to fund certain player development expenditures paid from the Operating Fund pursuant to rules and regulations established by government authorities.

WHITBY IROQUOIS SOCCER CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2009

8. Deferred Revenue

Deferred revenue represents indoor soccer registration fees collected prior to September 30, 2009 which apply to the subsequent indoor soccer season.

9. Commitments

The Club has negotiated an exclusive supplier agreement for photographic services for the period February 22, 2009 through February 21, 2014. Anticipated annual expenditures are \$17,400 plus applicable taxes.

10. Financial Instruments

The organization's financial instruments consist of cash, short term investments, accounts receivable, accounts payable and accrued charges. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate or credit risk arising from these financial instruments. The carrying amounts of these financial instruments approximate fair value due to their immediate or short-term maturities.

11. Comparative Figures

Certain comparative figures have been reclassified to conform with the current method of presentation.

12. Statement of Cash Flows

A statement of cash flows has not been presented as it would not provide any additional meaningful information.