

**TWIN CITIES MINOR TACKLE
FOOTBALL ASSOCIATION**
FINANCIAL STATEMENTS
NOVEMBER 30, 2009

DRAFT

AUDITORS' REPORT

To the Members of
Twin Cities Minor Tackle Football Association

We have audited the statement of financial position of Twin Cities Minor Tackle Football Association as at November 30, 2009, and the statements of revenues, expenses and change in net assets, and cash flows, 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, Twin Cities Minor Tackle Football Association derives part of its revenues from fundraising, equipment sales and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenues from this source was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, assets or net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of registration fees, fundraising and donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Twin Cities Minor Tackle Football Association as at November 30, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants
Licenced Public Accountants
Kitchener, Ontario
January 17, 2010

TWIN CITIES MINOR TACKLE FOOTBALL ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2009

ASSETS:	2009	2008
CURRENT		
Cash - general	9,765	66,956
Accounts receivable	1,016	992
Inventory (note 1)	16,621	9,141
Prepaid expenses and deposits	8,872	2,253
	36,274	79,342
 CAPITAL (note 1)		
Football equipment	173,916	147,348
Less: accumulated amortization	74,746	54,542
	99,170	92,806
	\$135,444	\$172,148
 LIABILITIES:		
CURRENT		
Accounts payable and accrued	14,701	26,364
Deferred income - registration fees	400	475
Deferred income - Beth Hughes Memorial Fund	2,408	3,992
	17,509	30,831
 NET ASSETS:		
Investment in equipment	99,170	92,806
Unrestricted	18,765	48,511
	117,935	141,317
	\$135,444	\$172,148

TWIN CITIES MINOR TACKLE FOOTBALL ASSOCIATION
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED NOVEMBER 30, 2009

	2009	2008
REVENUES:		
Registration fees	184,409	173,619
Fundraising and equipment sales	104,414	82,357
Grants	7,017	6,958
Donations - Beth Hughes Memorial	3,797	0
Donations - general	301	40
	<u>299,938</u>	<u>262,974</u>
EXPENSES:		
Equipment and uniform maintenance and repairs	72,873	48,309
Fundraising	61,736	47,712
Amortization	29,622	28,158
Bus rentals	27,813	11,380
Field rentals	34,544	36,034
Room rentals	11,976	9,303
Medical staff and supplies	19,746	14,207
Insurance	12,198	12,258
Referee and playoff fees	16,779	9,020
Player appreciation and trophies	6,868	6,135
Memberships	5,570	18,125
Materials and supplies	7,178	2,549
Professional fees	1,778	1,675
Advertising, promotion, recognition	6,460	2,688
Office	802	2,015
Photocopies	1,362	1,039
Website	1,071	640
Player assistance	3,797	1,341
Bank charges	1,147	(384)
	<u>323,320</u>	<u>252,204</u>
EXCESS OF REVENUES OVER EXPENSES	(23,382)	10,770
NET ASSETS - beginning of the year	141,317	130,547
NET ASSETS - end of the year	\$117,935	\$141,317

TWIN CITIES MINOR TACKLE FOOTBALL ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED NOVEMBER 30, 2009

SOURCES (USES) OF CASH:	2009	2008
OPERATING ACTIVITIES:		
Excess of revenues over expenses	(23,382)	10,770
Items not affecting cash flow:		
Amortization	29,622	29,622
Change in non-cash current assets and liabilities		
Accounts receivable	(24)	(124)
Inventory (note 1)	(7,480)	9,169
Prepaid expenses and deposits	(6,619)	5,122
Accounts payable and accrued	(11,663)	16,106
Deferred income - registration fees	(75)	475
Deferred income - Beth Hughes Memorial Fund	(1,584)	3,992
	<u>(21,205)</u>	<u>75,132</u>
INVESTING ACTIVITIES:		
Purchases of equipment	(35,986)	(52,843)
FINANCING ACTIVITIES:		
	<u>0</u>	<u>0</u>
CHANGE IN FUNDS FOR THE YEAR	(57,191)	22,289
CASH ON HAND - beginning of the year	66,956	44,667
CASH ON HAND - end of the year	<u>\$9,765</u>	<u>\$66,956</u>

'Unaudited'

TWIN CITIES MINOR TACKLE FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

NOVEMBER 30, 2009

Twin Cities Minor Tackle Football Association is a not-for-profit organization registered under the Income Tax Act. It was incorporated without share capital on May 23, 1997 under the laws of Ontario. Its principal purpose is to support its registrants through fundraising, sponsorships and registration fees.

1. ACCOUNTING POLICIES

INVENTORY

Inventory is valued at the lower of cost and net realizable values.

EQUIPMENT

Equipment is reflected at the lower of acquisition cost and fair market value. Amortization is recorded over five years using the straight-line method. The cost of equipment is written off after five years, its estimated useful life.

REVENUE RECOGNITION

The Association uses the deferral method to account for contributions. Restricted contributions are reflected as deferred income until related expenses are incurred, whereupon they are reflected as revenues. Unrestricted contributions are recognized as revenue when received or receivable, provided collection is reasonably assured.

USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results could differ from those estimates.

FINANCIAL INSTRUMENTS

The organization utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant price (currency, interest or market), credit, liquidity or cash flow risks arising from its financial instruments. It is the organization's object and policy to review these risks regularly and to take action to minimize them. There have been no changes to the management's assessment of these risks, nor to their objectives, policies or processes for managing and measurement of them. All transactions related to financial instruments are recorded on a settlement-date basis and transaction costs are expenses as incurred.

The organization classifies its financial instruments into one of the categories, based on the purpose for which it was acquired:

Held for trading - this category, comprised of cash, is carried at fair value with changes in fair value being reflected as income or and expense on the Statement of Income, Expenses and Change in Fund Balances.

TWIN CITIES MINOR TACKLE FOOTBALL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2009

ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS (continued)

Held-to-maturity investments - this category is non-derivative financial instruments with fixed or determinable payments and a fixed maturity that the organization has the intention and ability to hold to maturity. These instruments are measured at amortized cost using the effective interest method. Changes in the value being of these investments is reflected as income or and expense on the Statement of Income, Expenses and Change in Fund Balances.

Loans and receivables - this category, comprised of accounts receivable, is non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for the promise to repay on a specified date or dates, or on demand. They arise principally through the course of normal operations (accounts or grants receivable), but also include other types of contractual monetary assets. They are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment

Other financial liabilities - this category includes all financial liabilities and is comprised of accounts payable and deferred income. These liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

2. FAIR VALUES

The carrying values of cash, accounts receivable, accounts payable and accrued, and deferred income, approximate their fair values due to their short-term nature.