

N.D.G. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER N.D.G.

FINANCIAL STATEMENTS

DECEMBER 31, 2019

NDG SOCCER ASSOCIATION
FINANCIAL STATEMENTS
DECEMBER 31, 2019

SUMMARY

	Page
Independent Auditor's Report	1 - 2
Appendix to Independent Auditor's Report – Description of the Auditor's Responsibilities for the Audit of the Financial Statements	3
Statement of Operations	4
Changes in Net Assets	5
Balance Sheet	6
Statement of Cash Flow	7
Notes to Financial Statements	8 - 12

INDEPENDENT AUDITOR'S REPORT

To the Directors of
N.D.G. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER N.D.G.

Opinion

We have audited the financial statements of **N.D.G. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER N.D.G.** (the Organization), which comprise the balance sheet as at December 31, 2019, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2019, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

RIVE-SUD

7161, boul. Cousineau, bureau 212
Saint-Hubert (Québec) J3Y 8N2
T (514) 789 3730 F (514) 360 3733

LAVAL

3526, boul. Dagenais Ouest, bureau 210
Laval (Québec) H7P 1V7
T (514) 789 3730 F (514) 360 3734

JOLIETTE

210, rue Beaudry Nord, bureau 103
Joliette (Québec) J6E 6A6
T (450) 386 3730 F (450) 386 3735

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the appendix of this auditor's report. This description, which is located at page 3, forms part of our auditor's report.

CCMG Comptables professionnels agréés, s.e.n.c.l.¹

Laval, April 9, 2020

¹ CPA auditor, CA, public accountancy permit No. A120374

APPENDIX TO INDEPENDENT AUDITOR'S REPORT

Description of the Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

N.D.G. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER N.D.G.**STATEMENT OF OPERATIONS****Year Ended December 31, 2019****4**

	2019	2018
REVENUES		
Registrations	\$ 898,370	\$ 874,994
Day camps	39,322	38,475
Sponsorships	27,692	66,508
Tournaments	22,904	11,307
Financial aid	15,675	14,635
Interest income	1,127	412
Other	920	907
Grant and financial support	-	4,425
	1,006,010	1,011,663
EXPENSES		
Technical director, coaching and physiotherapy	249,661	205,335
Salaries and benefits	219,436	192,784
Rental, uniforms and equipment	195,673	174,119
Passports and affiliations	128,724	125,917
Referees	78,792	77,873
Registration fees	77,322	76,484
Administration and office expenses	72,685	95,314
Tournaments	18,349	22,563
Interest and bank charges	16,505	12,941
Professional fees	8,106	10,405
Telecommunications	3,288	2,223
Meetings and administration	832	3,956
Amortization of capital assets	150	207
	1,069,523	1,000,121
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	\$ (63,513)	\$ 11,542

The accompanying notes are an integral part of these financial statements.

N.D.G. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER N.D.G.

CHANGES IN NET ASSETS

Year Ended December 31, 2019

5

	Internally restricted	Charity Fund J.D. Eigenman	Invested in capital assets	Unrestricted	2019 Total	2018 Total
BALANCE, BEGINNING OF YEAR	\$ 5,000	\$ 4,910	\$ 571	\$ 52,482	\$ 62,963	\$ 51,421
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	-	-	(150)	(63,363)	(63,513)	11,542
BALANCE, END OF YEAR	\$ 5,000	\$ 4,910	\$ 421	\$ (10,881)	\$ (550)	\$ 62,963

The accompanying notes are an integral part of these financial statements.

N.D.G. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER N.D.G.**BALANCE SHEET****December 31, 2019****6**

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 42,788	\$ 74,284
Temporary investments (Note 4)	51,786	51,021
Accounts receivable (Note 5)	1,780	300
Prepaid expenses and deposits	27,315	25,243
	123,669	150,848
CAPITAL ASSETS (Note 6)	421	571
	\$ 124,090	\$ 151,419
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	\$ 29,886	\$ 15,215
Deferred revenues (Note 8)	94,754	73,241
	124,640	88,456
NET ASSETS (DEFICIENCY)		
INTERNALLY RESTRICTED (Note 9)	5,000	5,000
CHARITY FUND - J.D. ELGENMAN (Note 10)	4,910	4,910
INVESTED IN CAPITAL ASSETS	421	571
UNRESTRICTED	(10,881)	52,482
	(550)	62,963
	\$ 124,090	\$ 151,419

The accompanying notes are an integral part of these financial statements.

ON BEHALF OF THE BOARD,

_____, Director

_____, Director

N.D.G. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER N.D.G.

STATEMENT OF CASH FLOW

Year Ended December 31, 2019

7

	2019	2018
OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenses	\$ (63,513)	\$ 11,542
Non-cash item:		
Amortization of capital assets	150	207
	(63,363)	11,749
Net change in non-cash items related to operating activities (Note 3)	32,632	(7,946)
Cash flows from operating activities	(30,731)	3,803
INVESTING ACTIVITY		
Net change in temporary investments	-	(465)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(30,731)	3,338
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	94,840	91,502
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 64,109	\$ 94,840
CASH AND CASH EQUIVALENTS		
Cash	\$ 42,788	\$ 74,284
Temporary investments	21,321	20,556
	\$ 64,109	\$ 94,840

The accompanying notes are an integral part of these financial statements.

1. PURPOSE OF THE ORGANIZATION

The Organization was incorporated under Part III of the Quebec Companies Act. The Organization's primary purpose is to promote soccer activities in the area.

The NDG Soccer Association includes two divisions : NDG Division and CDN Division.

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization applies the Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenses for the periods covered. The main estimate relates to the useful life of capital assets subject to amortization.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenues in the year they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenues from registrations and sponsorships are recognized in the period in which they belong.

Revenues from day camps, financial aid, grants and financial support and from tournaments are recognized when the activities take place.

Interest income and others are recognized as revenues when earned.

Contributed services

The Organization receives input in the form of rent to help the Organization to deliver its services. Because of the difficulty of determining the fair value of the contributions received as services, they are not recognized in the financial statements.

Income taxes

As the Organization is a not-for-profit organization, it is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments***Initial and subsequent measurement*

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost on a straight-line basis include cash and accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include the accounts payable and accrued liabilities.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated using the declining balance method at the following rates:

Office furniture and equipment	20%
Computer equipment	30%

Cash and cash equivalents

The Organization's policy is to present bank balances under cash and cash equivalents, including bank overdrafts when bank balances that fluctuate frequently from being positive to overdrawn, and temporary investments with a maturity period of three months or less from the date of acquisition.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

10

3. NET CHANGE IN NON-CASH ITEMS RELATED TO OPERATING ACTIVITIES

	2019	2018
Accounts receivable	\$ (1,480)	\$ 6,595
Prepaid expenses and deposits	(2,072)	(4,818)
Accounts payable and accrued liabilities	14,671	(735)
Deferred revenues	21,513	(8,988)
	\$ 32,632	\$ (7,946)

4. TEMPORARY INVESTMENTS

	2019	2018
Enhanced investment business account, variable interest rate, cashable at any time	\$ 21,321	\$ 20,556
Term deposit, 1.4%, maturing in February 2020	30,465	30,465
	\$ 51,786	\$ 51,021

5. ACCOUNTS RECEIVABLE

	2019	2018
Accounts receivable	\$ 4,280	\$ 2,800
Allowance for doubtful accounts	(2,500)	(2,500)
	\$ 1,780	\$ 300

6. CAPITAL ASSETS

			2019			2018
	Cost	Accumulated amortization	Valeur comptable book value	Valeur comptable book value		
Office furniture and equipment	\$ 1,035	\$ 867	\$ 168	\$ 210		
Computer equipment	4,042	3,789	253	361		
	\$ 5,077	\$ 4,656	\$ 421	\$ 571		

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

11

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Trade accounts payable	\$ 11,688	\$ 2,095
Amount payable to the Government	4,321	5,064
Salaries and vacation payables	13,877	8,056
	\$ 29,886	\$ 15,215

8. DEFERRED REVENUES

	2019	2018
Deferred revenue consists of the following:		
Balance, beginning of the year	\$ 73,241	\$ 82,229
Registration fees collected during the year	942,787	877,313
Registration fees recognized during the year	(921,274)	(886,301)
	\$ 94,754	\$ 73,241

9. INTERNALLY RESTRICTED

In accordance with the policies and procedures of the Organization, \$ 5,000 is set up as restricted fund for any unforeseen expenditures that may arise in the normal course of operations. The board and the committee have the authority to pass a resolution to use the fund. The fund is invested in a short term deposit.

10. J.D. EIGENMAN CHARITY FUND

The charity fund was created to offer financial support to underprivileged kids for engaging in soccer activities or their studies. The Organization is responsible for obtaining funds for the charitable fund.

11. FINANCIAL INSTRUMENTS**Financial risks**

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The main risks are broken down below.

11. FINANCIAL INSTRUMENTS (continued)

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable.

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Organization by failing to discharge an obligation. The Organization's credit risk is mainly related to accounts receivable.

12. COMPARATIVE FIGURES

Certain figures for 2018 have been reclassified to conform to the presentation adopted in 2019.