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

FINANCIAL STATEMENTS

DECEMBER 31, 2021

NDG SOCCER ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2021

SUMMARY

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, 2021, 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, 2021, 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.

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, sencrl [1]

Laval, March 30, 2022

[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.

STATEMENT OF OPERATIONS

Year Ended December 31, 2021

	2021	2020
REVENUES		
Registrations	**$ 650,730**	$ 629,254
Canada Emergency Wage Subsidy (CEWS)	**84,882**	106,653
Day camps	**19,661**	1,100
Sponsorships	**18,300**	14,200
Other	**9,051**	499
Interest income	**1,946**	234
Financial aid	**-**	1,500
	784,570	753,440
EXPENSES		
Salaries and benefits	**202,015**	212,624
Technical director, coaching and physiotherapy	**143,054**	125,508
Rental, uniforms and equipment	**115,383**	86,894
Passports and affiliations	**83,952**	51,985
Registration fees and refunds	**61,986**	202,282
Referees	**33,411**	27,434
Interest and bank charges	**30,173**	18,520
Administration and office expenses	**24,121**	29,551
Professional fees	**8,336**	8,721
Telecommunications	**3,664**	3,876
Meetings and administration	**621**	601
Tournaments	**-**	750
Amortization of capital assets	**80**	110
	706,796	768,856
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	**$ 77,774**	$ (15,416)

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

	Internally restricted (Note 10)	Charity Fund J.D. Eigenman (Note 11)	Invested in capital assets	Unrestricted	2021 Total	2020 Total
BALANCE, BEGINNING OF YEAR	$ 5,000	$ 4,910	$ 311	$ (26,185)	**$ (15,964)**	$ (548)
Excess (deficiency) of revenues over expenses	-	-	(80)	77,854	**77,774**	(15,416)
BALANCE, END OF YEAR	$ 5,000	$ 4,910	$ 231	$ 51,669	**$ 61,810**	$ (15,964)

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

BALANCE SHEET

December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	$ **129,607**	$ 45,377
Temporary investments (Note 4)	**41,985**	51,786
Accounts receivable (Note 5)	**8,391**	3,829
Prepaid expenses and deposits	**20,092**	1,460
	200,075	102,452
CAPITAL ASSETS (Note 6)	**231**	311
	$ **200,306**	$ 102,763
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	$ **27,268**	$ 75,407
Deferred revenues (Note 8)	**71,228**	3,320
	98,496	78,727
LONG TERM DEBT (Note 9)	**40,000**	40,000
	138,496	118,727
NET ASSETS (DEFICIENCY)		
INTERNALLY RESTRICTED	**5,000**	5,000
CHARITY FUND - J.D. ELGENMAN	**4,910**	4,910
INVESTED IN CAPITAL ASSETS	**231**	311
UNRESTRICTED	**51,669**	(26,185)
	61,810	(15,964)
	$ **200,306**	$ 102,763

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

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	**$ 77,774**	$ (15,416)
Non-cash item:		
Amortization of capital assets	**80**	110
	77,854	(15,306)
Net change in non-cash items related to operating activities (Note 3)	**(3,425)**	(22,105)
Cash flows from operating activities	**74,429**	(37,411)
INVESTING ACTIVITY		
Net change in temporary investments	**(1,506)**	-
Cash flows from investing activity	**(1,506)**	-
FINANCING ACTIVITY		
Long-term borrowings	**-**	40,000
Cash flows from financing activity	**-**	40,000
INCREASE IN CASH AND CASH EQUIVALENTS	**72,923**	2,589
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**66,698**	64,109
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 139,621**	$ 66,698
CASH AND CASH EQUIVALENTS		
Cash	**$ 129,607**	$ 45,377
Temporary investments	**10,014**	21,321
	$ 139,621	$ 66,698

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.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The critical estimates relate to the provision for doubtful accounts, the net realizable value of inventory, the measurement of work in progress, the impairment of assets, the useful lives of property, plant and equipment and intangible assets subject to amortization, the likelihood of realizing future income tax assets and the measurement of investment tax credits.

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 and tournaments are recognized when the activities take place.

Interest income and others are recognized as revenues when earned.

Income taxes

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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%

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.

Financial instruments

Initial and subsequent measurement

The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in net income in the period incurred.

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

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

	2021	2020
Accounts receivable	**$ (4,562)**	$ (2,047)
Prepaid expenses and deposits	**(18,632)**	25,855
Accounts payable and accrued liabilities	**(48,139)**	45,521
Deferred revenues	**67,908**	(91,434)
	$ (3,425)	$ (22,105)

4. TEMPORARY INVESTMENTS

	2021	2020
Enhanced investment business account, variable interest rate, cashable at any time	**$ 10,014**	$ 21,321
Term deposit, 0.4%, maturing in February 2022	**31,971**	30,465
	$ 41,985	$ 51,786

5. ACCOUNTS RECEIVABLE

	2021	2020
Accounts receivable	**$ 10,891**	$ 2,870
Allowance for doubtful accounts	**(2,500)**	(2,500)
	8,391	370
Grants receivable (CEWS)	**-**	3,459
	$ 8,391	$ 3,829

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Valeur comptable book value	2020 Valeur comptable book value
Office furniture and equipment	$ 1,035	$ 928	**$ 107**	$ 134
Computer equipment	4,042	3,918	**124**	177
	$ 5,077	$ 4,846	**$ 231**	$ 311

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Trade accounts payable	**$ 2,015**	$ 31,624
Amount payable to the Government	**3,004**	3,916
Salaries and vacation payables	**22,249**	39,867
	$ 27,268	$ 75,407

8. DEFERRED REVENUES

	2021	2020
Deferred revenue consists of the following:		
Balance, beginning of the year	**$ 3,320**	$ 94,754
Registration fees collected during the year	**708,498**	537,819
Registration fees refunded	**(61,986)**	(202,282)
Registration fees recognized during the year	**(578,604)**	(426,971)
	$ 71,228	$ 3,320

9. LONG TERM DEBT

	2021	2020
Loan under federal program Canada Emergency Business Account, without interest, payable by December 31, 2023.	**$ 40,000**	$ 40,000

10. 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.

11. 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.

12. FINANCIAL INSTRUMENTS

Financial risks

The significant risks arising from financial instruments to which the Organization is exposed as at December 31, 2021 are detailed below.

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 and accrued liabilities and long term debt. The liquidity risk management aims to maintain a sufficient amount of cash and cash equivalents. In order to achieve these objectives and meet its obligations, the organisation establishes budget forecasts.

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.

The Organization provides credit to its clients in the normal course of its operations. It carries out, on a continuing basis, losses probabilities and maintains provisions for contingent credit losses which, once they materialize, are consistent with management's forecasts.

For grants receivable, the organization carries out, on a continuing basis, the amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.