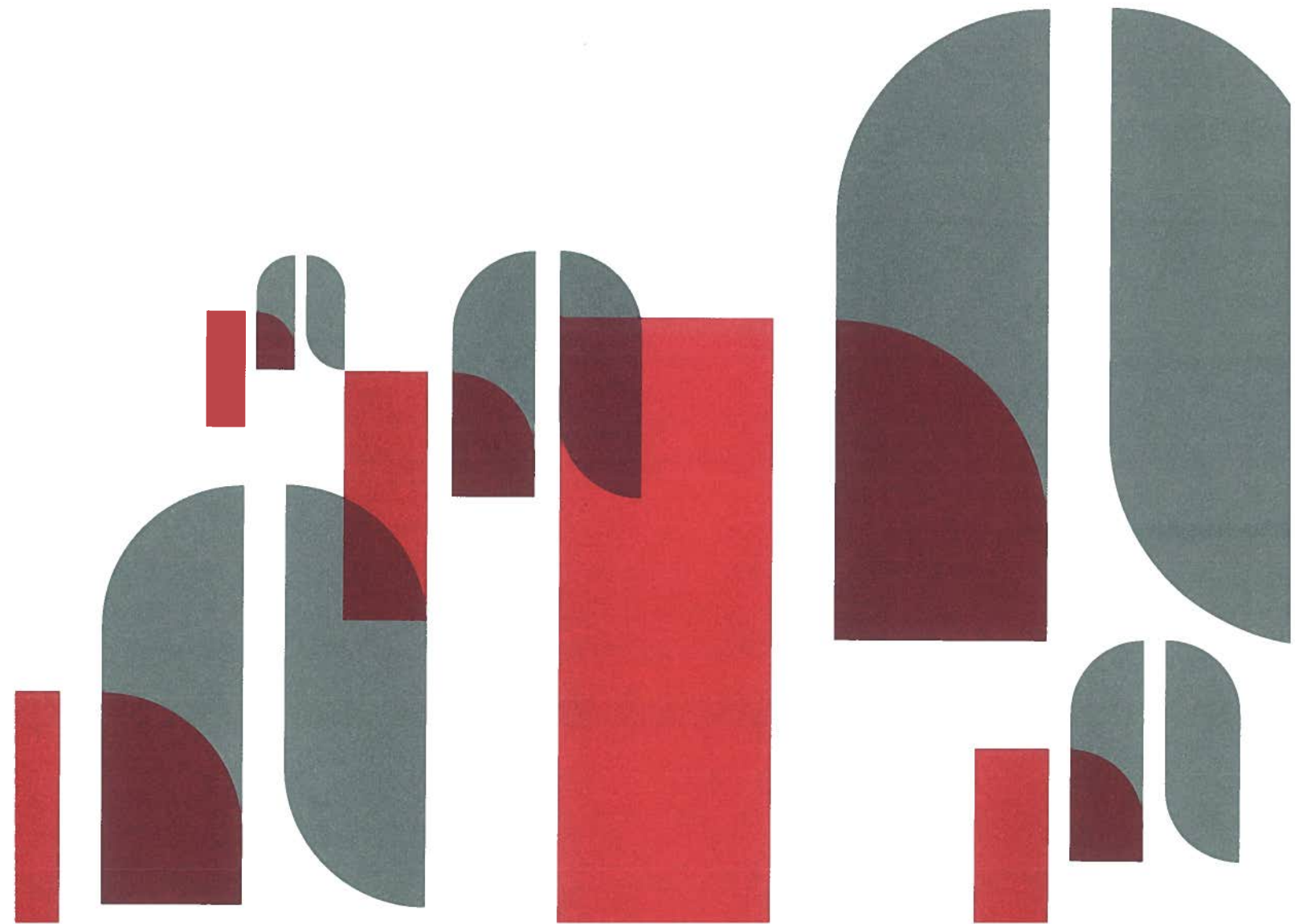


C.D.N. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER C.D.N.

FINANCIAL STATEMENTS

AS AT OCTOBER 31, 2013



C.D.N. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER C.D.N.

FINANCIAL STATEMENTS

AS AT OCTOBER 31, 2013

SOMMAIRE

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INDEPENDENT AUDITOR'S REPORT

To the members of
C.D.N. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER C.D.N.

We have audited the accompanying financial statements of C.D.N. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER C.D.N., which comprise the balance sheet as at October 31, 2013, and the statements of operations, changes in net assets and 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 and fair presentation 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 overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

INDEPENDENT AUDITOR'S REPORT (Cont'd)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of C.D.N. SOCCER ASSOCIATION/ASSOCIATION DE SOCCER C.D.N. as at octobre 31, 2013, 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.

Other point

The financial statements of the C.D.N. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER C.D.N. for the fiscal year ended October 31, 2012 were audited by another auditor.

Roland Naccache et Associés
Par Roland Naccache, CPA auditeur, CA

Roland Naccache, CPA auditeur, CA
Montréal (Québec)
January 29, 2014

C.D.N. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER C.D.N.

**BALANCE SHEET
AS AT OCTOBER 31, 2013**

| | 2013 | 2012 |
|---|---------------|--------------|
| | \$ | \$ |
| ASSETS | | |
| CURRENT | | |
| Cash | 3 128 | 3 325 |
| Grant receivable | 15 392 | - |
| | 18 520 | 3 325 |
| CAPITAL ASSETS - Note 3 | 2 642 | 3 657 |
| | 21 162 | 6 982 |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable and accrued liabilities - Note 4 | 186 | 1 046 |
| Due to N.D.G. Soccer Association, non interest bearing - Note 5 | 20 000 | - |
| | 20 186 | 1 046 |
| NET ASSETS | | |
| INVESTED IN CAPITAL ASSETS | 2 642 | 3 657 |
| UNRESTRICTED | (1 666) | 2 279 |
| | 976 | 5 936 |
| | 21 162 | 6 982 |

See accompanying notes.

APPROVED ON BEHALF OF THE BOARD

_____, Administrator

_____, Administrator

C.D.N. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER C.D.N.

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED OCTOBER 31, 2013

| | Invested in Capital assets | Unrestric ted | 2013 | 2012 |
|---|-------------------------------|------------------|------------|--------------|
| | | \$ | \$ | \$ |
| BALANCE, BEGINNING OF YEAR | 3 657 | 2 279 | 5 936 | - |
| Excess (deficiency) of revenues over expenses | (1 015) | (3 945) | (4 960) | 5 936 |
| BALANCE, END OF YEAR | 2 642 | (1 666) | 976 | 5 936 |

See accompanying notes.

C.D.N. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER C.D.N.

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED OCTOBER 31, 2013**

| | 2013 | 2012 |
|--|----------------|---------------|
| | \$ | \$ |
| REVENUE | | |
| Registration | 21 670 | 11 421 |
| Day camp | 760 | 1 620 |
| Grant | 15 392 | 20 000 |
| Other | 100 | 5 102 |
| | 37 922 | 38 143 |
| EXPENSES | | |
| Rental, uniforms and equipment | 5 392 | 7 997 |
| Technical directors', coaching and physiotherapy | 1 468 | 896 |
| Referees | - | 150 |
| Telecommunications | 1 033 | 1 131 |
| Advertising | 735 | 1 534 |
| Salaries and expenses | 2 801 | 5 785 |
| Directors' salaries | 8 445 | 2 850 |
| Meetings and administration | 16 224 | 8 975 |
| Professionnel fees | 4 886 | - |
| Office expenses | 519 | 1 273 |
| Interest and revenues charges | 364 | 196 |
| Amortization of capital assets | 1 015 | 1 420 |
| | 42 882 | 32 207 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | (4 960) | 5 936 |

See accompanying notes.

C.D.N. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER C.D.N.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED OCTOBER 31, 2013**

| | 2013 | 2012 |
|---|----------------|--------------|
| | \$ | \$ |
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenues over expenses | (4 960) | 5 936 |
| Items not affecting cash | | |
| Amortization of capital assets | 1 015 | 1 420 |
| | <u>(3 945)</u> | <u>7 356</u> |
| Changes in non-cash working capital items | | |
| Grant receivable | (15 392) | - |
| Accounts payable and accrued liabilities | (860) | 1 046 |
| Due to N.D.G. Soccer Association | 20 000 | - |
| | <u>3 748</u> | <u>1 046</u> |
| Cash flows provided by (used in) operating activities | (197) | 8 402 |
| INVESTMENT ACTIVITIES | | |
| Capital assets acquisitions and | | |
| Cash flows provided by (used in) investing activities | - | (5 077) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (197) | 3 325 |
| CASH & CASH EQUIVALENTS, BEGINNING OF YEAR | 3 325 | - |
| CASH & CASH EQUIVALENTS, END OF YEAR | 3 128 | 3 325 |
| Represented by: | | |
| Cash | 3 128 | 3 325 |

See accompanying notes.

C.D.N. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER C.D.N.

**NOTE TO FINANCIAL STATEMENTS
AS AT OCTOBER 31, 2013**

1 PURPOSE OF THE ORGANIZATION

The organization's primary purpose is to promote soccer activities in the area.

2 SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities revenues and expenses. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

Revenue Recognition

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

Product sponsorships are recognized in the period in which they belong.

Income from operations are recognized as revenue when the activities take place.

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.

Cash and cash equivalent

The organization's policy is to present bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

Financial Instruments

Measurement of financial instruments

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

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

Financial assets measured at amortized cost include cash and Grant receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

C.D.N. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER C.D.N.

**NOTE TO FINANCIAL STATEMENTS
AS AT OCTOBER 31, 2013**

2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the excess of revenues over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no 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 the excess of revenues over expenditures.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets are amortized over the assets' estimated useful lives. They are subjected to tests for depreciation.

| <u>Description</u> | <u>Method</u> | <u>Rate</u> |
|--------------------------------|------------------|-------------|
| Office furniture and equipment | Declining method | 20% |
| Computer equipment | Declining method | 30% |

Impairment of Long-Lived Assets

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. Any impairment results in a write-down of the asset and a charge to income during the year.

3 CAPITAL ASSETS

| | 2013 | | 2012 | |
|--------------------------------|--------------|--------------------------|----------------|----------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| | \$ | \$ | \$ | \$ |
| Office furniture and equipment | 1 035 | 373 | 662 | 828 |
| Computer equipment | 4 042 | 2 062 | 1 980 | 2 829 |
| | 5 077 | 2 435 | 2 642 | 3 657 |

C.D.N. SOCCER ASSOCIATION / ASSOCIATION DE SOCCER C.D.N.

NOTE TO FINANCIAL STATEMENTS
AS AT OCTOBER 31, 2013

4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2013 | 2012 |
|------------------------------|------------|--------------|
| | \$ | \$ |
| Trade accounts payable | 186 | 348 |
| Amount payable to Government | - | 698 |
| | <u>186</u> | <u>1 046</u> |

5 RELATED PARTY TRANSACTIONS

C.D.N. Soccer Association and N.D.G. Soccer Association are common control organizations since they have the same board of directors.

At year end, the amount due to the N.D.G. Soccer Association is \$ 20,000.

All these transactions were carried out in the normal course of operations and are recorded at the exchange value. This value corresponds to the consideration agreed upon by the parties and is determined using the cost recovery method.

6 RISKS ARISING FROM FINANCIAL INSTRUMENTS

Risks and Concentrations

The organization is exposed to various risks through its financial instruments without being exposed to concentrations of risk. The following analysis provides a measure of the organization's risk exposure as the balance sheet date, each of which is discussed below.

Liquidity Risk

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. For grants receivable, the organization assesses, on a continuous basis, amounts receivable on the basis of amounts for which ultimate collection is reasonably assured based on their estimated realizable value.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The organization is not exposed to market risk.

