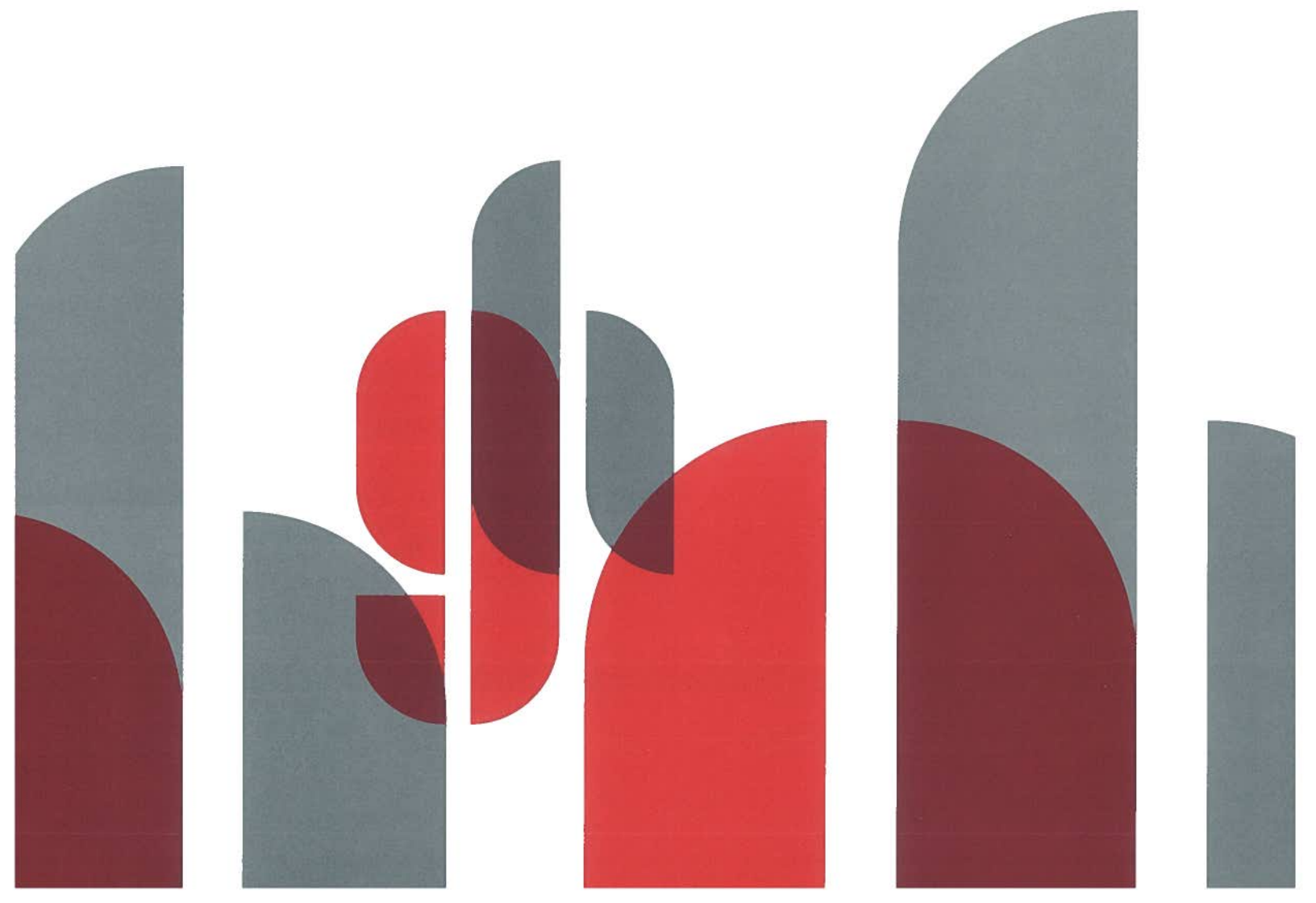




**N.D.G. SOCCER ASSOCIATION/
ASSOCIATION DE SOCCER N.D.G.**

**FINANCIAL STATEMENTS
AS AT OCTOBER 31, 2012**



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INDEPENDENT AUDITOR'S REPORT

To the Members of:
**N.D.G. SOCCER ASSOCIATION/
ASSOCIATION DE SOCCER N.D.G.**

We have audited the accompanying financial statements of **N.D.G. SOCCER ASSOCIATION/ ASSOCIATION DE SOCCER N.D.G.**, which comprise the balance sheet as at October 31, 2012, 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **N.D.G. SOCCER ASSOCIATION/ASSOCIATION DE SOCCER N.D.G.** as at October 31, 2012, 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.

Comparative information

Without modifying our opinion, we draw attention to Note 3 to the financial statements which describes that **N.D.G. SOCCER ASSOCIATION/ASSOCIATION DE SOCCER N.D.G.** adopted Canadian accounting standards for not-for-profit organizations on November 1, 2011 with a transition date of November 1, 2010. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at October 31, 2011 and November 1, 2010, and the statements of operations, changes in net assets and cash flows for the year then ended October 31, 2011 and related disclosures. We are not engaged to report on the restated comparative information, and as such, it is unaudited.



GOLDSMITH HERSH S.E.N.C.R.L.¹

Montréal, Québec
April 25, 2013

¹ CPA auditor, CA permit No.113355



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

BALANCE SHEET

AS AT OCTOBER 31, 2012

ASSETS

	2012	2011	November 1 2010
	\$	\$	\$
	(Unaudited)	(Unaudited)	(Unaudited)
CURRENT			
Cash	76,856	99,463	68,146
Term deposits (Note 4)	42,433	27,039	27,039
Accounts receivable	5,550	-	-
Prepaid expenses	914	2,377	475
	125,753	128,879	95,660

LIABILITIES

CURRENT			
Accounts payable and accrued liabilities (Note 5)	10,145	853	7,416
Deferred revenue (Note 6)	67,140	85,955	76,985
	77,285	86,808	84,401

NET ASSETS

RESTRICTED FOR INTERNAL EXPENDITURE (Note 7)	5,000	5,000	5,000
CHARITY FUND - J.D. EIGENMAN (Note 8)	2,760	760	325
UNRESTRICTED	40,708	36,311	5,934
	48,468	42,071	11,259
	125,753	128,879	95,660

See accompanying notes.

APPROVED ON BEHALF OF THE BOARD

Administrator

Administrator

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

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED OCTOBER 31, 2012**

	Charity Fund			2012	2011
	Unrestricted	J.D. Eigenman	Restricted		
	\$	\$	\$	\$	\$
Balance, beginning of year - as previously reported	36,311	760	5,000	42,071	67,639
Restatement affecting last year's financial statement (Note 9)	-	-	-	-	(56,380)
Balance, beginning of year - as restated	36,311	760	5,000	42,071	11,259
Excess of revenues over expenditures	4,397	2,000	-	6,397	30,812
BALANCE, END OF YEAR	40,708	2,760	5,000	48,468	42,071

See accompanying notes.

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

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED OCTOBER 31, 2012

	2012	2011
	\$	\$
		(Unaudited)
REVENUE		
Registration	536,250	522,397
Sponsorship	40,177	27,146
Day camp	39,177	33,580
Subsidy	8,726	5,433
Soccer school	-	2,900
Interest income	694	345
Other	1,903	859
Financial aid	10,275	-
Charity fund - J.D. Eigenman	2,000	1,435
	<hr/> 639,202	<hr/> 594,095
EXPENSES		
Passports and affiliations	86,820	74,163
Rentals, uniforms and equipment	136,376	127,216
Referees	43,191	39,818
Tournaments	26,437	17,997
Technical director, coaching and physiotherapy	113,373	105,567
Salaries and benefits	99,692	79,793
Professional fees	11,268	17,118
Administration and office	115,648	100,611
J.D. Eigenman Fund	-	1,000
	<hr/> 632,805	<hr/> 563,283
EXCESS OF REVENUES OVER EXPENDITURES	<hr/> 6,397	<hr/> 30,812

See accompanying notes.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED OCTOBER 31, 2012**

	2012	2011
	\$	\$
		(Unaudited)
CASH FLOW PROVIDED BY :		
OPERATING ACTIVITIES		
Excess of revenues over expenditures	6,397	30,812
Changes in non-cash working capital:		
Accounts receivable	(5,550)	-
Prepaid expenses	1,463	(1,902)
Accounts payable and accrued liabilities	9,292	(6,563)
Customer deposits	-	8,970
Deferred revenue	(18,815)	8,970
	(13,610)	505
Cash flows provided by (used in) operating activities	(7,213)	31,317
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,213)	31,317
Cash and cash equivalents, beginning of year	126,502	95,185
CASH AND CASH EQUIVALENTS, END OF YEAR	119,289	126,502

See accompanying notes.

**N.D.G. SOCCER ASSOCIATION/
ASSOCIATION DE SOCCER N.D.G.
NOTES TO FINANCIAL STATEMENTS
AS AT OCTOBER 31, 2012**

1. PURPOSE OF ORGANIZATION

The organization was incorporated under Part III of the Quebec Companies Act on April 11, 1979. The organization's primary purpose is to promote soccer activities in the area.

The organization is registered with Revenue Canada and Revenue Quebec as a tax exempt organization.

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.

Cash and cash equivalents

Cash consists of cash on hand and term deposits. Cash equivalents are restricted to investments that are readily convertible into a known amount of cash, that are subject to minimal risk of changes in value.

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.

Endowment contributions are recognized as direct increases in net assets.

Contributed services

In order to carry out its activities, the organization receives volunteer services from the community. The value of contributed services is not recognized in these statements due to difficulty of determining their fair value.

**N.D.G. SOCCER ASSOCIATION/
ASSOCIATION DE SOCCER N.D.G.
NOTES TO FINANCIAL STATEMENTS
AS AT OCTOBER 31, 2012**

2. SIGNIFICANT ACCOUNTING POLICIES (cont.)

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, term deposits and accounts receivable.

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

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.

Transaction costs

The organization's transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the excess of revenues over expenditures in the period incurred. The carrying amount of the financial instruments that will not be subsequently measured at fair value is adjusted for transaction costs that are directly attributable to their origination, issuance or assumption of these instruments.

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

The organization has elected to apply the Canadian accounting standards for not-for-profit organizations of Part III of the CICA Accounting Handbook.

These financial statements are the first financial statements for which the organization has applied the Canadian accounting standards for not-for profit organizations.

The financial statements for the year ended October 31, 2012 were prepared in accordance with the accounting principles and provisions set out in Section 1501 of the CICA Handbook Part III, "First-Time Adoption", for first-time adopters of this basis of accounting.

There was no impact on the organization's financial statements of adopting these standards on November 1, 2010, the date of transition.

**N.D.G. SOCCER ASSOCIATION/
ASSOCIATION DE SOCCER N.D.G.
NOTES TO FINANCIAL STATEMENTS
AS AT OCTOBER 31, 2012**

4. TERM DEPOSITS

Term deposits consists of the following:

	2012	2011
	\$	\$
Term deposit maturing August 31, 2013, with a rate of return of 0.65% (2011-0.75%)	15,000	15,000
Term deposit maturing March 31, 2013, with a rate of return of 0.65% (2011-0.75%)	27,433	12,039
	42,433	27,039

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2012	2011
	\$	\$
Trade accounts payable	9,135	-
Deductions at source payable	1,010	853
	10,145	853

6. DEFERRED REVENUE

Deferred revenue consists of the following:

	2012	2011
	\$	\$
Balance, beginning of the year	85,955	76,985
Registration fees collected during the year	517,435	531,367
Registration fees recognized during the year	(536,250)	(522,397)
	67,140	85,955

7. INTERNALLY RESTRICTED FUND

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 this fund. The fund is invested in a short term deposit.

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

NOTES TO FINANCIAL STATEMENTS

AS AT OCTOBER 31, 2012

8. 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 this charitable fund.

9. RESTATEMENT AFFECTING PRIOR YEAR'S FINANCIAL STATEMENTS

The prior year financial statements have been restated to reflect registration revenues that were recorded as income when they should have been deferred. As a result, the statement of changes in net assets as at November 1, 2011 previously reported as \$67,639 has been restated to show a retroactive debit of \$56,380 representing the amount by which income has been decreased in 2010.

10. 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 loss for the other party by failure to discharge an obligation. The organization's credit risk is due mainly to accounts receivable.

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 exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its fixed rate financial instruments .