

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

FINANCIAL STATEMENTS

AS AT OCTOBER 31, 2013



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

FINANCIAL STATEMENTS

AS AT OCTOBER 31, 2013

CONTENTS

AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance Sheet	3
Statement of changes in net assets	4
Statement of operations	5
Statement of cash flows	6
Notes to financial statements	7 - 10

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

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

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

	2013	2012
	\$	\$
ASSETS		
CURRENT		
Cash	25 204	76 856
Investment	42 709	42 433
Accounts receivable	11 342	5 550
Advance to C.D.N. Soccer Association - non interest bearing - Note 7	20 000	-
Prepaid expenses	4 771	914
	104 026	125 753
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities - Note 3	8 093	10 144
Deferred revenue - Note 4	52 479	67 140
	60 572	77 284
NET ASSETS		
INTERNALLY RESTRICTED - Note 5	5 000	5 000
CHARITY FUND - J.D. EIGENMAN - Note 6	3 870	2 760
UNRESTRICTED	34 584	40 709
	43 454	48 469
	104 026	125 753

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 OCOTBER 31, 2013**

	Internally restricted	Charity Fund J.D. Eigenman	Unrestric- ted	2013	2012
	\$	\$	\$	\$	\$
BALANCE, BEGINNING OF YEAR	5 000	2 760	40 709	48 469	42 072
Excess (deficiency) of revenues over expenses	-	1 110	(6 125)	(5 015)	6 397
BALANCE, END OF YEAR	5 000	3 870	34 584	43 454	48 469

See accompanying notes.

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

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

	2013	2012
	\$	\$
REVENUE		
Registration	625 842	582 028
Sponsorship	26 190	40 177
Day camp	39 703	39 177
Subsidy	5 550	8 726
Interest income	716	694
Other	869	1 903
Financial aid	14 425	10 275
Charity fund - J.D. Eigenman	1 110	2 000
	714 405	684 980
EXPENSES		
Registration fees	53 312	45 528
Passports and affiliations	80 438	86 820
Rentals, uniforms and equipment	117 190	136 376
Referees	45 533	43 191
Tournaments	19 143	26 437
Technical director, coaching and physiotherapy	137 920	113 373
Salaries and benefits	100 594	99 692
Professional fees	11 383	11 268
Administration and office	153 907	115 898
	719 420	678 583
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5 015)	6 397

See accompanying notes.

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

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

	2013	2012
	\$	\$
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	(5 015)	6 397
Changes in non-cash working capital:		
Accounts receivable	(5 792)	(5 550)
Advance to C.D.N. Soccer Association	(20 000)	-
Prepaid expenses	(3 857)	1 463
Accounts payable and accrued liabilities	(2 051)	9 291
Deferred revenue	(14 661)	(18 815)
	<u>(46 361)</u>	<u>(13 611)</u>
Cash flows used in operating activities	(51 376)	(7 214)
FINANCING ACTIVITIES		
Net change in investments and		
Cash flows used in financing activities	(276)	(15 394)
DECREASE IN CASH AND CASH EQUIVALENTS	(51 652)	(22 608)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	76 856	99 464
CASH AND CASH EQUIVALENTS, END OF YEAR	25 204	76 856
Presented by :		
Cash	25 204	76 856

See accompanying notes.

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

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

1 PURPOSE OF THE 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.

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.

Registrations are recognized in the period in which they belong..

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

Income from operations are recognized as revenue when the activities take place. Income from financial support and financial assistance and other income are recognized as revenue when the services have been rendered.

Investment income is recognized as revenue 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.

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.

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

NOTES TO FINANCIAL STATEMENTS
AS AT OCTOBER 31, 2013

2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

3 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2013</u>	<u>2012</u>
	\$	\$
Trade accounts payable	4 464	9 134
Amount payable to Government	3 629	1 010
	<u>8 093</u>	<u>10 144</u>

4 DEFERRED REVENUE

Deferred revenue consists of the following:

	<u>2013</u>	<u>2012</u>
	\$	\$
Balance, beginning of the year	67 140	85 955
Registration fees collected during the year	611 181	563 213
Registration fees recognized during the year	(625 842)	(582 028)
Balance, end of the year	<u>52 479</u>	<u>67 140</u>

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

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

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

6 J. D. EIGENMAN CHARITY FUN

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.

7 RELATED PARTY TRANSACTIONS

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

At year end, the amount receivable from the C.D.N. 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.

8 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.

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

NOTES TO FINANCIAL STATEMENTS
AS AT OCTOBER 31, 2013

8 FINANCIAL INSTRUMENTS (cont'd)

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. The risk associated with investments is reduced to a minimum since these assets are invested in terme deposit.

9 COMPARATIVE FIGURES

Certain of the prior year's accounts have been reclassified to conform to the 2013 financial statement presentation.