

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**NDG SOCCER ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**SUMMARY**

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## 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, 2018, 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, 2018, 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

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**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

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.<sup>1</sup>*

Laval, March 29, 2019

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<sup>1</sup> By 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****For the year ended December 31, 2018****4**

	<b>2018</b>	<b>2017</b>
<b>REVENUES</b>		
Registrations	\$ 874,994	\$ 796,115
Sponsorships	66,508	47,190
Day camps	38,475	29,683
Financial aid	14,635	10,755
Tournaments	11,307	15,380
Grant and financial support	4,425	8,865
Other	907	22,847
Interest income	412	1,698
	<b>1,011,663</b>	<b>932,533</b>
<b>EXPENSES</b>		
Technical director, coaching and physiotherapy	205,335	179,337
Salaries and benefits	192,784	187,787
Rental, uniforms and equipment	174,119	165,481
Passports and affiliations	125,917	116,067
Administration and office expenses	95,314	85,359
Referees	77,873	68,844
Registration fees	76,484	57,331
Tournaments	22,563	17,660
Interest and bank charges	12,941	10,925
Professional fees	10,405	10,578
Meetings and administration	3,956	3,620
Telecommunications	2,223	2,550
Amortization of capital assets	207	287
Other	-	22,674
	<b>1,000,121</b>	<b>928,500</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 11,542</b>	<b>\$ 4,033</b>

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

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

STATEMENT OF CHANGES IN NET ASSETS

For the year ended December 31, 2018

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	Internally restricted	Charity Fund J.D. Eigenman	Invested in capital assets	Unrestricted	2018 Total	2017 Total
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 5,000	\$ 4,910	\$ 778	\$ 40,733	\$ 51,421	\$ 47,388
Excess of revenues over expenses	-	-	(207)	11,749	11,542	4,033
<b>BALANCE, END OF YEAR</b>	\$ 5,000	\$ 4,910	\$ 571	\$ 52,482	\$ 62,963	\$ 51,421

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

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

BALANCE SHEET

As at December 31, 2018

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	2018	2017
<b>ASSETS</b>		
CURRENT		
Cash	\$ 74,284	\$ 70,946
Temporary investments (note 4)	51,021	50,556
Accounts receivable (note 5)	300	6,895
Prepaid expenses and deposits	25,243	20,425
	<b>150,848</b>	148,822
CAPITAL ASSETS (note 6)	571	778
	<b>\$ 151,419</b>	\$ 149,600
<b>LIABILITIES</b>		
CURRENT		
Accounts payable and accrued liabilities (note 7)	\$ 15,215	\$ 15,950
Deferred revenues (note 8)	73,241	82,229
	<b>88,456</b>	98,179
<b>NET ASSETS</b>		
INTERNALLY RESTRICTED (note 9)	5,000	5,000
CHARITY FUND - J.D. ELGENMAN (note 10)	4,910	4,910
INVESTED IN CAPITAL ASSETS	571	778
UNRESTRICTED	52,482	40,733
	<b>62,963</b>	51,421
	<b>\$ 151,419</b>	\$ 149,600

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

For the year ended December 31, 2018

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	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 11,542	\$ 4,033
Non-cash item: Amortization of capital assets	207	287
	<b>11,749</b>	4,320
Net change in non-cash working capital items (note 3)	<b>(7,946)</b>	19,936
	<b>3,803</b>	24,256
<b>INVESTING ACTIVITY</b>		
Net change in temporary investments	<b>(465)</b>	-
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,338</b>	24,256
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>91,502</b>	67,246
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 94,840</b>	\$ 91,502
<b>CASH AND CASH EQUIVALENTS</b>		
Cash	\$ 74,284	\$ 70,946
Temporary investments	<b>20,556</b>	20,556
	<b>\$ 94,840</b>	\$ 91,502

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 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. 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.

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

NOTES TO FINANCIAL STATEMENTS

As at December 31, 2018

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3. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	2018	2017
Accounts receivable	\$ 6,595	\$ (5,735)
Prepaid expenses and deposits	(4,818)	(2,642)
Accounts payable and accrued liabilities	(735)	2,936
Deferred revenues	(8,988)	25,377
	<u>\$ (7,946)</u>	<u>\$ 19,936</u>

4. TEMPORARY INVESTMENTS

	2018	2017
Enhanced investment business account, variable interest rate, cashable at any time	\$ 20,556	\$ 20,556
Term deposit, 0.90%, maturing in February 2019 (2017: February 2018)	30,465	30,000
	<u>\$ 51,021</u>	<u>\$ 50,556</u>

5. ACCOUNTS RECEIVABLE

	2018	2017
Accounts receivable	\$ 2,800	\$ 9,395
Allowance for doubtful accounts	(2,500)	(2,500)
	<u>\$ 300</u>	<u>\$ 6,895</u>

6. CAPITAL ASSETS

	2018		2017	
	Cost	Accumulated amortization	Net book value	Net book value
Office furniture and equipment	\$ 1,035	\$ 825	\$ 210	\$ 262
Computer equipment	4,042	3,681	361	516
	<u>\$ 5,077</u>	<u>\$ 4,506</u>	<u>\$ 571</u>	<u>\$ 778</u>

## NOTES TO FINANCIAL STATEMENTS

As at December 31, 2018

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**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2018</b>	<b>2017</b>
Trade accounts payable	\$ 2,095	\$ 4,841
Amount payable to the Government	5,064	3,973
Salaries and vacation payables	8,056	7,136
	<b>\$ 15,215</b>	<b>\$ 15,950</b>

**8. DEFERRED REVENUES**

	<b>2018</b>	<b>2017</b>
<b>Deferred revenue consists of the following:</b>		
Balance, beginning of the year	\$ 82,229	\$ 56,852
Registration fees collected during the year	886,301	796,425
Registration fees recognized during the year	(895,289)	(771,048)
	<b>\$ 73,241</b>	<b>\$ 82,229</b>

**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 2017 have been reclassified to make their presentation identical to that adopted in 2018.