



**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION**

**FINANCIAL STATEMENTS**

**December 31, 2020**



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**INDEX**

	Page
Independent Auditor's Report	2
Statement of Operations and Changes in Net Assets	4
Statement of Financial Position	5
Cash Flow Statement	6
Notes to Financial Statements	7 - 12

## INDEPENDENT AUDITOR'S REPORT

To the Members of Capital District Minor Football Association

### *Opinion*

We have audited the accompanying financial statements of Capital District Minor Football Association, which comprise the statement of financial position as at December 31, 2020, the statements of operations and changes in net assets, and cash flows 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 Capital District Minor Football Association as at December 31, 2020, and the results of its activities 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 Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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. As part of an audit, in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 Entity'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 Entity'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 Entity 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.



**Bergeron & Co. Chartered Professional Accountants**

May 4, 2021  
Edmonton, AB

**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**For the year ended December 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>REVENUE</b>		
Canada Emergency Wage Subsidy	\$ 58,113	\$ -
Fees for service	4,214	25,000
Membership fees	7,700	-
Casino	6,698	74,048
League fees	9,767	72,600
Coaching clinics income	1,935	6,886
Fines	800	-
Interest	323	133
Gate fees	-	29,724
	<u>89,550</u>	<u>208,391</u>
<b>EXPENSES</b>		
Wages and benefits	119,541	69,601
Field rentals	6,341	46,423
Professional fees	5,840	4,200
Office and general	4,452	9,276
Contributions to other organizations	4,200	20,000
Clinics	3,290	7,680
Casino expenses	2,540	-
Travel	2,103	392
Conferences and seminars	1,423	2,022
Website	1,227	2,340
Officials, referees and announcers	936	57,295
Trophies	833	826
Interest and bank charges	668	56
Sponsorships	158	-
Videotaping	-	3,622
Refunds	-	2,500
Provincials	-	6,041
Gate fees	-	5,872
	<u>153,552</u>	<u>238,146</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS</b>	<u>(64,002)</u>	<u>(29,755)</u>
<b>OTHER ITEM</b>		
Government assistance - interest benefit (Note 7)	<u>3,719</u>	<u>-</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<b>(60,283)</b>	<b>(29,755)</b>
<b>UNRESTRICTED NET ASSETS, beginning of year</b>	<u>20,501</u>	<u>50,254</u>
<b>UNRESTRICTED NET ASSETS (DEFICIT), end of year</b>	<b>\$ <u>(39,782)</u></b>	<b>\$ <u>20,499</u></b>

See accompanying Notes to Financial Statements

4.

**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
December 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
CURRENT		
Cash (Note 3)	\$ 67,241	\$ 73,080
Trade receivables	7,383	5,200
Canada Emergency Wage Subsidy receivable	12,974	-
Interest receivable	<u>182</u>	<u>175</u>
TOTAL CURRENT ASSETS	87,780	78,455
INVESTMENTS (Note 4)	11,063	11,036
DUE FROM NORTHERN ALBERTA FLAG FOOTBALL ASSOCIATION	<u>-</u>	<u>25,000</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 98,843</u></b>	<b><u>\$ 114,491</u></b>
<b>LIABILITIES</b>		
CURRENT		
Accounts payable and accrued liabilities	\$ 9,280	\$ 4,844
Payroll liabilities	7,986	-
Deferred registrations	90	-
Deferred casino contributions (Note 5)	73,484	77,642
Team performance bonds (Note 6)	<u>11,500</u>	<u>11,500</u>
TOTAL CURRENT LIABILITIES	102,340	93,986
LOAN ISSUED UNDER THE CANADA EMERGENCY BUSINESS ACCOUNT PROGRAM (Note 7)	<u>36,281</u>	<u>-</u>
TOTAL LIABILITIES	<u>138,621</u>	<u>93,986</u>
<b>NET ASSETS (DEFICIT)</b>		
Unrestricted net assets (deficit)	<u>(39,778)</u>	<u>20,505</u>
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b><u>\$ 98,843</u></b>	<b><u>\$ 114,491</u></b>

Approved by the Directors:

\_\_\_\_\_, Director

\_\_\_\_\_, Director

**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION  
CASH FLOW STATEMENT  
For the year ended December 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses	\$ (60,283)	\$ (29,755)
Add (deduct):		
Charges to income not involving cash		
Interest reinvested into term deposits	(27)	(36)
Government assistance -Interest benefit	<u>(3,719)</u>	<u>-</u>
	(64,029)	(29,791)
Net change in non-cash working capital balances related to operations		
Trade receivables	(2,183)	(5,000)
Interest receivable	(7)	(64)
Canada Emergency Wage Subsidy receivable	(12,974)	-
Accounts payable and accrued liabilities	4,436	(698)
Payroll liabilities	7,986	-
Deferred casino contributions	(4,158)	(16,516)
Deferred registrations	<u>90</u>	<u>-</u>
	<u>(70,839)</u>	<u>(52,069)</u>
<b>FINANCING ACTIVITIES</b>		
Receipt of loan issued under CEBA	40,000	-
Advances from related parties	-	10,000
Advances to related parties	<u>25,000</u>	<u>(35,000)</u>
	<u>65,000</u>	<u>(25,000)</u>
DECREASE IN CASH	(5,839)	(77,069)
CASH, beginning of year	<u>73,080</u>	<u>150,149</u>
<b>CASH, end of year</b>	<b><u>\$ 67,241</u></b>	<b><u>\$ 73,080</u></b>

**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**1. PURPOSE OF THE NOT-FOR-PROFIT ORGANIZATION**

The Capital District Minor Football Association (CDMFA or the Association) is a not-for-profit society incorporated under the Societies Act of the province of Alberta whose purpose is the development and promotion of minor football in the northern Alberta region.

The Association is a not-profit organization and is exempt from income tax.

**2. ACCOUNTING POLICIES**

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

**Management's use of estimates**

- a) The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current year. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

**Revenue recognition**

- b) CDMFA follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be *reasonably estimated and collection is reasonably assured*.

Gate fees, fines and donations are recognized when received or receivable.

League fees are recognized on a straight-line basis over the duration of the season.

Interest is recognized on an accrual basis.

**Financial instruments**

- c) CDMFA initially measures all its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets subsequently measured at amortized cost consist of cash, trade receivables, grants receivable, interest receivable and investments.

Financial liabilities subsequently measured at amortized cost consist of accounts payable and accrued liabilities and team performance bonds.

Transaction costs related to financial instruments subsequently measured at cost or amortized cost are included in the original cost of the financial asset or liability and recognized in income over the life of the instrument using the straight-line method.



**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020**

**Financial instruments impairment**

- d) Financial assets measured at cost or amortized cost are tested for impairment if there are indications of possible impairment. The amount of the write-down is recognized in the Statement of Operations. A previously recognized impairment loss may be reversed to the extent of the improvement, either 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 loss not been recognized previously. The amount of the reversal is recognized in the Statement of Operations.

**Cash and cash equivalents**

- e) The Association's policy is to present bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

**Tangible capital assets**

- f) In accordance with Canadian accounting standards for not-for-profit organizations, Capital District Minor Football Association qualifies as a small organization as defined in the *CPA Handbook* for purposes of reporting capital assets. Accordingly, the organization has elected to report tangible capital assets as expenses in the year they are purchased. Proceeds from the disposition of tangible capital assets are reported as revenue in the year they are sold. No amortization is recorded, nor are the tangible capital assets reported on the statement of financial position.

**Contributed materials and services**

- g) Volunteers contribute many hours per year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. Contributed materials are recorded at their fair value.

**3. RESTRICTED CASH**

	<u>2020</u>	<u>2019</u>
Externally restricted cash - Casino account	\$ 73,484	\$ 77,642
Externally restricted cash - Team performance bonds	<u>437</u>	<u>464</u>
Total externally restricted cash	73,921	78,106
Unrestricted cash	<u>(6,680)</u>	<u>(5,026)</u>
Total Cash	<u>\$ 67,241</u>	<u>\$ 73,080</u>

**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020**

**4. INVESTMENTS**

	<u>2020</u>	<u>2019</u>
Non-redeemable guaranteed investment certificate maturing on May 20, 2021, bearing interest at variable rates from 2.20% to 2.70%.	\$ 10,000	\$ 10,000
Non-redeemable guaranteed investment certificate maturing on May 23, 2021, bearing interest at variable rates from 2.20% to 2.70%.	<u>1,063</u>	<u>1,036</u>
	<u>\$ 11,063</u>	<u>\$ 11,036</u>

The use of the guaranteed investment certificates is restricted to cover the CDMFA's team performance bond obligation. See Note 6.

**5. DEFERRED REVENUES**

	Opening	Funds received	Funds used	Ending
Casino	\$ <u>77,642</u>	\$ <u>2,540</u>	\$ <u>(6,698)</u>	\$ <u>73,484</u>

**6. TEAM PERFORMANCE BONDS**

The Association has a liability to return the team performance bonds should a member association withdraw from membership while in good standing. This obligation is secured by the investments. See Note 4.

**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**7. LOAN GRANTED UNDER THE CANADA EMERGENCY BUSINESS ACCOUNT**

	<u>2020</u>	<u>2019</u>
Loan, with an unpaid principal of \$40,000, guaranteed by the Canadian government, interest-free until December 31, 2022 (a)	\$ <u>36,281</u>	\$ <u>-</u>
	36,281	-
Less current portion:		
Cash repayments required within 12 months	\$ -	\$ -
Callable debt	<u>-</u>	<u>-</u>
Current debt	<u>-</u>	<u>-</u>
Long-term debt	<u>\$ 36,281</u>	<u>\$ -</u>

(a) During the year, the organization obtained a \$40,000 loan under the Canada Emergency Business Account Program. If the organization repays \$30,000 by December 31, 2022, the \$10,000 balance will be forgiven. Otherwise, an interest rate of 5% will apply to the balance, which will be repayable in 36 monthly blended instalments [December 31, 2025]. There is no reasonable assurance that the organization will benefit from this government assistance of \$10,000. The \$40,000 loan was initially recognized at its fair value of \$36,281 using an interest rate of 5%. The organization deems that the \$3,719 is a contribution towards current expenses and recognized it in net income for the year, under Other items - Financing Costs.

**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**8. RELATED ENTITIES**

Since Capital District Minor Football Association and Northern Alberta Flag Football Association have the same board of directors, these two organizations are considered to be under common control, and therefore related entities due to the opportunity for the common board to set the organizations' strategies of operations, finances, and investments. Northern Alberta Flag Football Association's financial statements are not consolidated in these financial statements. Below is a financial summary for the year ended December 31, 2020 for Northern Alberta Flag Football Association.

Northern Alberta Flag Football Association's 2020 figures were compiled by management for its internal uses, these figures were neither audited nor reviewed.

	<u>2020</u>	<u>2019</u> (8 months)
<b>FINANCIAL POSITION</b>		
Assets	\$ <u>11,459</u>	\$ <u>40,402</u>
Liabilities	\$ <u>-</u>	<u>28,001</u>
Net Assets	<u>11,459</u>	<u>12,401</u>
	<u>\$ 11,459</u>	<u>40,402</u>
<b>OPERATIONS</b>		
Revenues	\$ 10,262	66,926
Expenses	<u>11,204</u>	<u>54,525</u>
(Deficiency) Excess of revenue over expenses	<u>\$ (942)</u>	<u>\$ 12,401</u>
<b>CASH FLOWS</b>		
Cash from operations	(1,223)	37,682
Cash used in financing activities	(25,000)	-
Cash used in investing activities	<u>-</u>	<u>-</u>
(Decrease) Increase in cash	<u>(26,223)</u>	<u>-</u>

Transactions between related entities

During the 12 months ended December 31, 2020, Capital District Minor Football Association incurred field rental costs on behalf of Northern Alberta Flag Football Association in the amount of \$395.

This transaction was made in the normal course of business and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related entities.

**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**9. FINANCIAL INSTRUMENTS**

The Association is exposed to various risks through its financial instruments. The following analysis presents the Association's exposures to significant risks at the reporting date.

**Credit risk:**

CDMFA is exposed to credit risk with respect to its trade receivables and interest receivable.

**Interest rate risk:**

CDMFA is exposed to interest rate risk on its fixed-rate financial instruments, which consists solely of guaranteed investment certificates. These fixed-rate instruments subject CDMFA to a risk of changes in fair value.

**Liquidity risk:**

CDMFA is exposed to liquidity risk with respect to its accounts payable and accrued liabilities and team performance bonds.

**10. SUBSEQUENT EVENTS**

On March 17, 2020, the Chief Medical Officer of Health for the province of Alberta declared a public health emergency due to the pandemic related to COVID-19, certain restrictions were imposed including the closing of recreational facilities and restrictions on public gatherings. Capital District Minor Football Association is following the advice and requirements of the Public Health Agency of Canada and the Chief Medical Officer of Health for Alberta.

Capital District Minor Football has therefore cancelled its spring 2021 season. The financial impact of which would include the elimination of league fee revenue.

In addition, on February 3, 2021, Northern Alberta Football Association Inc. was incorporated. This organization is under common control with CDMFA. No financial transactions were incurred as of the date of the Independent Auditor's Report.

**11. COMPARATIVE INFORMATION**

Certain corresponding figures have been reclassified to conform with the current year classifications. This includes the reclassification of team performance bonds to reflect their callable nature.