



**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION**

**FINANCIAL STATEMENTS**

**December 31, 2021**



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## 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, 2021, 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, 2021, 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.

### *Emphasis of Matter*

We draw attention to Note 3 of the financial statements which describes a prior period adjustment related to the casino revenue and its impact on the corresponding figures.

### *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**

March 3, 2022  
Edmonton, AB

**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**For the year ended December 31, 2021**

	<u>2021</u>	<u>2020</u> (Restated)
REVENUE		
Casino	\$ 70,466	\$ 6,698
League fees	64,475	9,767
Grant	20,000	-
Membership fees	16,730	7,700
Gate fees	15,895	-
Donations	12,500	-
Fees for service	2,525	4,214
Interest	190	323
Fines	-	800
Coaching clinics income	-	1,935
	<u>202,781</u>	<u>31,437</u>
EXPENSES		
Wages and benefits	121,560	119,541
Officials, referees and announcers	51,379	936
Field rentals	40,695	6,341
Professional fees	5,250	5,840
Office and general	5,194	4,450
Provincials	3,194	-
Interest on long-term debt	2,750	-
Trophies	991	833
Conferences and seminars	808	1,423
Sponsorships	788	158
Interest and bank charges	780	673
Bad debts	376	-
Contributions to other organizations	-	4,200
Clinics	-	3,290
Casino expenses	-	2,540
Travel	-	2,103
Website	-	1,227
	<u>233,765</u>	<u>153,555</u>
DEFICIENCY OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS	<u>(30,984)</u>	<u>(122,118)</u>
OTHER ITEM		
Government assistance (Notes 8 & 9)	62,565	61,832
Football Alberta expenses recovered	96,341	-
Football Alberta expenses paid	<u>(96,341)</u>	<u>-</u>
	<u>62,565</u>	<u>61,832</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	31,581	(60,286)
UNRESTRICTED NET ASSETS, beginning of year (Note 3)	<u>17,715</u>	<u>78,001</u>
<b>UNRESTRICTED NET ASSETS, end of year</b>	<b><u>\$ 49,296</u></b>	<b><u>\$ 17,715</u></b>

See accompanying Notes to Financial Statements

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**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
December 31, 2021**

	ASSETS	
	<u>2021</u>	<u>2020</u> (Restated)
CURRENT		
Cash (Note 4)	\$ 134,718	\$ 67,241
Trade receivables	1,800	7,383
Canada Emergency Wage Subsidy receivable	-	12,974
Interest receivable	<u>-</u>	<u>182</u>
TOTAL CURRENT ASSETS	136,518	87,780
INVESTMENTS (Note 5)	<u>-</u>	<u>11,063</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 136,518</u></b>	<b><u>\$ 98,843</u></b>
	LIABILITIES	
CURRENT		
Accounts payable and accrued liabilities	\$ 13,021	\$ 9,282
Payroll liabilities	-	7,986
Deferred revenues (Notes 3 & 6)	26,495	16,074
Team performance bonds (Note 7)	<u>11,500</u>	<u>11,500</u>
TOTAL CURRENT LIABILITIES	51,016	44,842
CANADA EMERGENCY BUSINESS ACCOUNT LOAN (Note 8)	<u>36,201</u>	<u>36,281</u>
TOTAL LIABILITIES	<u>87,217</u>	<u>81,123</u>
	NET ASSETS	
Unrestricted net assets	<u>49,301</u>	<u>17,720</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 136,518</u></b>	<b><u>\$ 98,843</u></b>

Approved by the Directors:

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


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

**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION  
CASH FLOW STATEMENT  
For the year ended December 31, 2021**

	<u>2021</u>	<u>2020</u> (Restated)
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 31,581	\$ (60,286)
Add (deduct):		
Charges to income not involving cash		
Canada Emergency Business Account debt forgiveness	(20,000)	-
Interest reinvested into term deposits	-	(27)
Government assistance -Interest benefit	<u>(80)</u>	<u>(3,719)</u>
	11,501	(64,032)
Net change in non-cash working capital balances related to operations		
Trade receivables	5,583	(2,183)
Interest receivable	182	(7)
Canada Emergency Wage Subsidy receivable	12,974	(12,974)
Accounts payable and accrued liabilities	3,739	4,439
Payroll liabilities	(7,986)	7,986
Deferred revenues	<u>10,421</u>	<u>(4,068)</u>
	<u>36,414</u>	<u>(70,839)</u>
<b>FINANCING ACTIVITIES</b>		
Receipt of loan issued under CEBA	20,000	40,000
Redemption of term deposits	11,063	-
Advances from related parties	<u>-</u>	<u>25,000</u>
	<u>31,063</u>	<u>65,000</u>
<b>INCREASE (DECREASE) IN CASH</b>	67,477	(5,839)
CASH, beginning of year	<u>67,241</u>	<u>73,080</u>
<b>CASH, end of year</b>	<b><u>\$ 134,718</u></b>	<b><u>\$ 67,241</u></b>

See accompanying Notes to Financial Statements

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**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021**

**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 require 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**  
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**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. PRIOR PERIOD ADJUSTMENT**

The casino revenue was understated in 2018. To rectify, casino revenues would have increased in 2018 causing the opening net assets as at January 1, 2020 to increase by \$57,500 and conversely decreases the deferred casino revenue by \$57,500.

**4. RESTRICTED CASH**

	<u>2021</u>	<u>2020</u> (Restated)
Externally restricted cash - Casino	\$ 23,995	\$ 15,984
Externally restricted cash - Team performance bonds	<u>11,500</u>	<u>464</u>
Total externally restricted cash	35,495	16,448
Unrestricted cash	<u>99,223</u>	<u>50,793</u>
Total Cash	<u>\$ 134,718</u>	<u>\$ 67,241</u>

The balance of \$23,995 is composed of the casino bank balance as at December 31, 2021 of \$18,745 and the amount owing from the general account of \$5,250.

**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**



**5. INVESTMENTS**

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

**6. DEFERRED REVENUES**

	<u>Opening</u>	<u>Funds received</u>	<u>Funds used</u>	<u>Ending</u>
Casino	\$ 16,074	\$ 78,477	\$ (70,556)	\$ 23,995
WISE Fund	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
	<u>\$ 16,074</u>	<u>\$ 80,977</u>	<u>\$ 70,556</u>	<u>\$ 26,495</u>

**7. 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.

**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION**  
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**December 31, 2021**




**8. CANADA EMERGENCY BUSINESS ACCOUNT**

	<u>2021</u>	<u>2020</u> (Restated)
Loan, with an unpaid principal of \$40,000, guaranteed by the Canadian government, interest-free until December 31, 2023 (a)	\$ <u>36,201</u>	\$ <u>36,281</u>
	36,201	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><u>36,201</u></u>	\$ <u><u>36,281</u></u>

(a) During the year, the association obtained a \$20,000 loan and \$40,000 in previous year under the Canada Emergency Business Account Program. If the association repays \$40,000 by December 31, 2023, the \$20,000 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, 2026]. There is reasonable assurance that the association will benefit from this government assistance of \$20,000. The \$40,000 loan was initially recognized at its fair value of \$36,281 using an interest rate of 5%, but has been revised to \$33,451 due to the change in maturity date. The organization deems that the \$6,549 is a contribution towards current expenses and recognized \$2,830 (2020 - \$3,719) in net income for the year, under Other items.

**9. GOVERNMENT ASSISTANCE**

	<u>2021</u>	<u>2020</u> (Restated)
Canada Emergency Business Account debt forgiveness	\$ 20,000	\$ -
Canada Emergency Wage Subsidy	39,736	58,113
Canada Emergency Business Account interest benefit	<u>2,830</u>	<u>3,719</u>
	\$ <u><u>62,566</u></u>	\$ <u><u>61,832</u></u>



**CAPITAL DISTRICT MINOR FOOTBALL ASSOCIATION**  
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**10. RELATED ENTITIES**

In previous years, Capital District Minor Football Association and Northern Alberta Flag Football Association had the same board of directors, these two organizations were 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. As of June 2021, these two organizations have separate board of directors and are now considered as two independent entities, therefore all related party balance and transactions have not been reported.

**11. 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.

**Liquidity risk:**

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

**12. 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.