

**SOUTH END UNITED SOCCER
CLUB INC.
(Operating as Winnipeg South
End United Soccer Club)**

**Financial Statements
For the year ended January 31, 2016**

SOUTH END UNITED SOCCER CLUB INC.
(Operating as Winnipeg South End United Soccer Club)

Year Ended January 31, 2016

C O N T E N T S

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REVIEW ENGAGEMENT REPORT

To the Board of Directors of
South End United Soccer Club Inc.

We have reviewed the statement of financial position of South End United Soccer Club Inc. as at January 31, 2016, and the statement of operations, change in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements, and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

BDO Canada LLP

Chartered Accountants

Winnipeg, Manitoba
March 24, 2016

SOUTH END UNITED SOCCER CLUB INC.
(Operating as Winnipeg South End United Soccer Club)


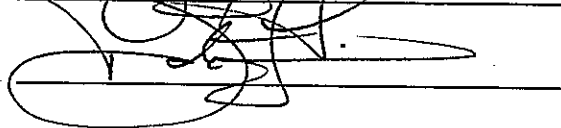
Statement of Financial Position

January 31, 2016

(UNAUDITED)

	2016	2015
ASSETS		
Current Assets		
Cash	\$ 170,747	\$ 130,497
Accounts receivable	-	4,693
Prepaid expenses	<u>22,789</u>	<u>20,302</u>
	<u>193,536</u>	<u>155,492</u>
Capital assets (Note 2)	<u>1,313</u>	<u>2,411</u>
	<u>\$ 194,849</u>	<u>\$ 157,903</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 6,834	\$ 8,722
Deferred revenue	<u>11,355</u>	<u>15,720</u>
	<u>18,189</u>	<u>24,442</u>
NET ASSETS		
Invested in capital assets	1,313	2,411
Unrestricted	<u>175,347</u>	<u>131,050</u>
	<u>176,660</u>	<u>133,461</u>
	<u>\$ 194,849</u>	<u>\$ 157,903</u>

On behalf of the Board:


 _____ Director

 _____ Director

SOUTH END UNITED SOCCER CLUB INC.
(Operating as Winnipeg South End United Soccer Club)

Statement of Operations

For the year ended January 31, 2016

(UNAUDITED)

	2016	2015
Revenue		
Registration fees		
Camps	\$ -	\$ 1,025
Indoor season, competitive	220,525	172,595
Indoor season, recreational	139,948	165,335
Outdoor season, competitive	241,294	210,309
Outdoor season, recreational	202,781	202,626
Summer Academy/All-Stars/DTC	47,229	36,173
Tournament	7,400	-
Tryouts	14,960	4,095
Winter Academy/All-Stars/DTC	25,051	14,907
	899,188	807,065
Refunds	(70)	(480)
	899,118	806,585
Other	21,922	22,862
Province of Manitoba Grant - Green Team	-	12,447
	921,040	841,894
Expenses		
Administration		
Amortization	2,161	1,949
Bank charges	18,288	15,519
Honorariums	3,768	3,550
Insurance	915	869
Office and sundry	7,464	3,823
Professional fees	5,762	5,818
Rent	18,052	17,640
Salaries	193,744	187,240
Telephone	794	787
Travel	3,304	1,974
Website	998	1,995
	255,250	241,164
Banquets	17,492	15,306
Coaching fees	-	6,500
Fields and facilities	116,105	76,394
Program fees	384,659	364,764
Promotions	3,214	3,714
Referees	28,415	25,056
Soccer uniforms and equipment	66,804	68,932
Training and certificates	5,902	5,147
	877,841	806,977
Revenue over expenses	\$ 43,199	\$ 34,917

SOUTH END UNITED SOCCER CLUB INC.
(Operating as Winnipeg South End United Soccer Club)

Statement of Changes in Net Assets

For the year ended January 31, 2016

(UNAUDITED)

	<u>Invested in Capital Assets</u>	<u>Unrestricted</u>	<u>2016</u>	<u>2015</u>
Balance, Beginning of year	\$ 2,411	\$ 131,050	\$ 133,461	\$ 98,544
Revenue over (under) expenses	(2,161)	45,360	43,199	34,917
Purchase of assets	<u>1,063</u>	<u>(1,063)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 1,313</u>	<u>\$ 175,347</u>	<u>\$ 176,660</u>	<u>\$ 133,461</u>

SOUTH END UNITED SOCCER CLUB INC.
(Operating as Winnipeg South End United Soccer Club)

Statement of Cash Flows

For the year ended January 31, 2016

(UNAUDITED)

	2016	2015
Cash Flows from Operating Activities		
Revenue over expenses	\$ 43,199	\$ 34,917
Adjustments for		
Amortization	2,161	1,949
	45,360	36,866
Changes in non-cash working capital balances		
Accounts receivable	4,693	(2,823)
Prepaid expenses	(2,487)	(20,302)
Accounts payable and accrued liabilities	(1,888)	(435)
Deferred revenue	(4,365)	15,720
	41,313	29,026
Cash Flows from Investing		
Purchase of capital assets	(1,063)	-
Increase in cash	40,250	29,026
Cash, beginning of year	130,497	101,471
Cash, end of year	\$ 170,747	\$ 130,497

SOUTH END UNITED SOCCER CLUB INC.
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Notes to Financial Statements

For the year ended January 31, 2016

(UNAUDITED)

1. Nature of Operations and Summary of Significant Accounting Policies

Nature and Purpose of Corporation

South End United Soccer Club Inc. is a not-for-profit organization incorporated without share capital under *The Corporations Act of Manitoba* on November 9, 2005. As such, it is exempt from paying income taxes.

The organization's function is to develop and operate a complete soccer program and league for soccer players of any age including providing programs under which players, coaches, referees and parents associated with the club can increase their knowledge and skills while having fun playing the world's most popular sport.

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization of furnishings and equipment is provided on a straight-line basis over their estimated useful lives of 5 years.

Revenue Recognition

The organization 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at rate corresponding with the amortization rate for the related capital asset.

Registration fee revenue is recognized when invoiced and collection is reasonably assured. Other revenue is recognized in the period in which it is earned.

Voluntary Services

The organization is dependent upon the voluntary services of a large number of people. The value of these services is not recognized in these financial statements.

SOUTH END UNITED SOCCER CLUB INC.
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Notes to Financial Statements

For the year ended January 31, 2016

(UNAUDITED)

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs are the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Use of Estimates

Financial statements prepared in conformity with Canadian accounting standards for not-for-profit organizations require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. Capital Assets

	2016		2015			
	Accumulated Cost	Amortization	Net Book Value	Accumulated Cost	Amortization	Net Book Value
Furnishings and equipment	<u>\$ 19,335</u>	<u>\$ 18,022</u>	<u>\$ 1,313</u>	<u>\$ 18,272</u>	<u>\$ 15,861</u>	<u>\$ 2,411</u>

**SOUTH END UNITED SOCCER CLUB INC.
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Notes to Financial Statements

For the year ended January 31, 2016

(UNAUDITED)

3. Financial Instrument Risk

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is mainly exposed to credit risk through the credit quality of the individuals and businesses in which the organization has invested.

Liquidity Risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities.