

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

**Financial Statements**

**Year Ended January 31, 2010**

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

**Year Ended January 31, 2010**

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## AUDITORS' REPORT

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

We have audited the balance sheet of South End United Soccer Club Inc. as at January 31, 2010 and the statements of revenue and expenses and changes in net assets for the year then ended. These financial statements are the responsibility of the organization's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the organization derives revenue from fundraising functions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, revenue under expenses, assets and net assets.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of South End United Soccer Club Inc. as at January 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*BDO Canada LLP*

Winnipeg, Manitoba  
October 20, 2010

Chartered Accountants

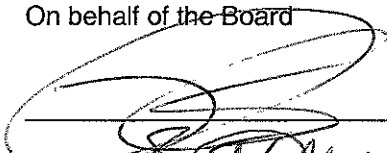
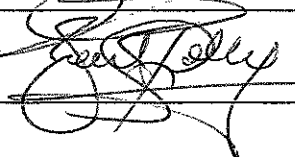
**SOUTH END UNITED SOCCER CLUB INC.**  
**(Operating as Winnipeg South End United Soccer Club)**  
**(Incorporated without share capital under the laws of Manitoba)**

**Balance Sheet, January 31, 2010**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Current		
Cash	\$ 11,278	\$ 4,541
Accounts receivable	9,056	22,254
Prepaid expenses	<u>4,727</u>	<u>4,721</u>
	25,061	31,516
Capital assets (Note 3)	<u>9,824</u>	<u>17,078</u>
	<u>\$ 34,885</u>	<u>\$ 48,594</u>
<b>LIABILITIES</b>		
Current		
Accounts payable	<u>\$ 83,273</u>	<u>\$ 52,203</u>
<b>NET ASSETS</b>		
Invested in capital assets	9,824	17,078
Unrestricted	<u>(58,212)</u>	<u>(20,687)</u>
	<u>(48,388)</u>	<u>(3,609)</u>
	<u>\$ 34,885</u>	<u>\$ 48,594</u>

See accompanying notes

On behalf of the Board

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

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

**Statement of Revenue and Expenses**

**Year Ended January 31, 2010**

	<u>2010</u>	<u>2009</u>
Revenue		
Registration fees		
Camps	\$ 38,567	\$ 36,045
Elite training program	7,500	-
Indoor season, competitive	75,290	73,459
Indoor season, recreational	123,000	112,750
Outdoor season, competitive	161,032	157,077
Outdoor season, recreational	182,360	175,675
Referees	1,060	-
Summer Academy / All-Stars / DTC	52,394	38,437
Summer Mini Academy	2,525	-
Tryouts	10,020	9,100
Winter Academy / All-Stars / DTC	60,415	52,090
Winter Mini Academy	7,946	10,293
	<u>722,109</u>	<u>664,926</u>
Less: Refunds	16,430	15,735
	<u>705,679</u>	<u>649,191</u>
Other	7,205	6,249
	<u>712,884</u>	<u>655,440</u>
Expenses		
Administration		
Amortization	7,254	4,900
Bank charges	10,513	9,505
Honorariums	27,472	25,573
Insurance	414	350
Office and sundry	11,934	19,238
Professional fees	3,996	8,164
Rent	15,120	15,108
Salaries	143,377	139,211
Senior team	36,969	2,503
Telephone	2,500	2,857
Travel	5,266	2,000
Website	773	2,337
	<u>265,588</u>	<u>231,746</u>
Banquets	14,741	14,024
Fields and facilities	62,111	65,774
Program fees	291,836	285,064
Referees	31,481	28,472
Promotions	18,276	13,730
Soccer uniforms and equipment	56,302	51,446
Training and certificates	13,336	9,280
Other	3,992	6,014
	<u>757,663</u>	<u>705,550</u>
Revenue under expenses	<u>\$ (44,779)</u>	<u>\$ (50,110)</u>

See accompanying notes

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

**Statement of Changes in Net Assets**

**Year Ended January 31, 2010**

	<u>Invested in</u>	<u>Unrestricted</u>	<u>Total</u>	
	<u>Capital Assets</u>		<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$ 17,078	\$ (20,687)	\$ (3,609)	\$ 46,501
Revenue under expenses	<u>(7,254)</u>	<u>(37,525)</u>	<u>(44,779)</u>	<u>(50,110)</u>
Balance, end of year	<u>\$ 9,824</u>	<u>\$ (58,212)</u>	<u>\$ (48,388)</u>	<u>\$ (3,609)</u>

See accompanying notes

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

**Notes to Financial Statements**

**January 31, 2010**

**1. Entity definition**

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.

**2. Going Concern**

The financial statements have been prepared on the basis that the organization will continue as a going concern, which contemplates the realization of assets and payment of liabilities in the ordinary course of business. However, the organization has incurred substantial losses. Continuation of the organization's business is dependent upon its ability to generate funds from its own operations or borrowing from others sufficient to meet current and future obligations.

**3. Summary of significant accounting policies**

**Capital assets**

Capital assets are stated at cost less accumulated amortization. Amortization of assets is provided on a straight-line basis over their estimated useful lives as follows:

Furnishings and equipment	5 years
Sign	5 years
Tent	5 years
Nets	3 years

**Revenue recognition**

Revenue is recognized when charged and collection is reasonably assured.

**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**

**January 31, 2010**

**3. Summary of significant accounting policies (continued)**

**Fair value**

Due to the short-term nature of all financial instruments, the carrying values as presented in the financial statements are reasonable estimates of fair value. As true for all estimates, actual fair value could differ from these estimates, and if so, any differences would be accounted for in the period in which they become known.

**Use of estimates**

Financial statements prepared in conformity with Canadian generally accepted accounting principles 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.

**4. Capital assets**

	<b>2010</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net</b>
Furnishings and equipment	\$ 9,485	\$ 7,588	\$ 1,897
Sign	2,173	1,737	436
Tent	1,074	644	430
Nets	14,123	7,062	7,061
	<u>\$ 26,855</u>	<u>\$ 17,031</u>	<u>\$ 9,824</u>
	<b>2009</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net</b>
Furnishings and equipment	\$ 9,485	\$ 5,691	\$ 3,794
Sign	2,173	1,303	870
Tent	1,074	429	645
Nets	14,123	2,354	11,769
	<u>\$ 26,855</u>	<u>\$ 9,777</u>	<u>\$ 17,078</u>



**SOUTH END UNITED SOCCER CLUB INC.**

**Notes to Financial Statements**

**January 31, 2010**

**5. Contingent liabilities**

A former employee has filed a claim against the organization alleging wrongful dismissal in the approximate amount of \$26,500. The outcome of this claim is not determinable.

**6. Statement of cash flows**

A statement of cash flows has not been prepared as the cash flows are evident from the balance sheet and the statements of operations and changes in net assets.

**7. Comparative figures**

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.