

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

**Financial Statements  
For the year ended January 31, 2012**

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

**Year Ended January 31, 2012**

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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, 2012 and the statements of operations and changes in net assets 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 generally accepted accounting principles.

*BDO Canada LLP*

Chartered Accountants

Winnipeg, Manitoba  
October 29, 2012


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

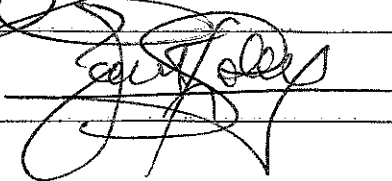
**Statement of Financial Position**

**As at January 31, 2012**  
(Unaudited)

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Current Assets		
Cash	\$ 27,994	\$ 16,258
Accounts receivable	420	848
Prepaid expenses	<u>3,045</u>	<u>2,678</u>
	31,459	19,784
Capital assets (Note 3)	<u>3,953</u>	<u>2,570</u>
	<u>\$ 35,412</u>	<u>\$ 22,354</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	<u>\$ 15,500</u>	<u>\$ 25,279</u>
<b>NET ASSETS</b>		
Invested in capital assets	3,953	2,570
Unrestricted	<u>15,959</u>	<u>(5,495)</u>
	<u>19,912</u>	<u>(2,925)</u>
	<u>\$ 35,412</u>	<u>\$ 22,354</u>

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

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

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

**Statement of Operations**

**For the year ended January 31, 2012**  
(Unaudited)

	<b>2012</b>	<b>2011</b>
<b>Revenue</b>		
Registration fees		
Camps	\$ 25,651	\$ 32,477
Elite training program	-	1,325
Indoor season, competitive	106,611	100,176
Indoor season, recreational	138,000	123,950
Outdoor season, competitive	176,405	169,022
Outdoor season, recreational	164,952	173,593
Referees	(60)	995
Summer Academy/All-Stars/DTC	24,858	29,654
Tryouts	7,735	13,355
Winter Academy/All-Stars/DTC	37,665	29,478
	681,817	674,025
Refunds	(1,351)	(4,413)
	680,466	669,612
Other	10,633	11,134
Province of Manitoba Grant - Green Team	9,700	7,875
	700,799	688,621
<b>Expenses</b>		
Administration		
Amortization	3,557	7,254
Bank charges	9,255	6,072
Honorariums	16,473	17,001
Insurance	518	669
Office and sundry	7,123	7,532
Professional fees	9,740	7,799
Rent	15,540	15,120
Salaries	62,672	71,100
Senior team	-	7,269
Telephone	755	1,845
Travel	3,117	3,181
Website	6,181	5,141
	134,931	149,983
Banquets	12,153	13,559
Coaching fees	55,788	41,691
Fields and facilities	81,477	66,059
Program fees	309,266	295,166
Promotions	9,278	3,757
Referees	29,115	32,316
Soccer uniforms and equipment	38,810	32,341
Training and certificates	7,144	8,286
	677,962	643,158
<b>Revenue over expenses</b>	<b>\$ 22,837</b>	<b>\$ 45,463</b>

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

**SOUTH END UNITED SOCCER CLUB INC.**  
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**Statement of Changes in Net Assets**

**For the year ended January 31, 2012**  
(Unaudited)

	<u>Invested in Capital Assets</u>	<u>Unrestricted</u>	<u>2012</u>	<u>2011</u>
Balance, beginning of year	2,570	(5,495)	(2,925)	(48,388)
Revenue over (under) expenses	(3,557)	26,394	22,837	45,463
Purchase of capital assets	<u>4,940</u>	<u>(4,940)</u>	-	-
Balance, end of year	<u>\$ 3,953</u>	<u>\$ 15,959</u>	<u>\$ 19,912</u>	<u>\$ (2,925)</u>

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

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

**Notes to Financial Statements**

**For the year ended January 31, 2012**

(Unaudited)

**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. 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

The organization follows the deferral method of accounting for its contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures 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. Registration fee revenue is recognized when invoiced 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.

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.

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**Notes to Financial Statements**

**For the year ended January 31, 2012**  
(Unaudited)

**2. Summary of Significant Accounting Policies (continued)**

Financial Instruments

The organization utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant credit, liquidity and interest rate risks arising from these financial instruments (Note 6).

All transactions related to financial instruments are recorded on a settlement date basis.

The organization classifies its financial instruments as follows based on the purpose for which the asset was acquired and follows the disclosed accounting policy for each category.

<u>Assets/Liability</u>	<u>Category</u>	<u>Measurement</u>
Cash	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable	Other financial liabilities	Amortized cost

- Held for trading items are carried at fair value, with changes in their fair value recognized in the statement of operations.
- Loans and receivables are carried at amortized cost, using the effective interest rate method, less any provision for impairment.
- Other financial liabilities are carried at amortized cost, using the effective interest method.

Transaction costs are expensed as incurred.

New Accounting Pronouncements

In December 2010, the Accounting Standards Board and Public Sector Accounting Board (Boards) issued new standards for not-for-profit organizations (NPOs). For private sector NPOs, they have a choice of International Financial Reporting Standards ("IFRS") or accounting standards for NPOs.

The Boards require NPOs to adopt their respective standards for year ends beginning on or after January 1, 2012. Until the date of transition to the new standards, all NPOs will continue to follow the current Canadian Institute of Chartered Accountants Handbook – Accounting Part V – Pre-Changeover Standards.



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**Notes to Financial Statements**

**For the year ended January 31, 2012**  
(Unaudited)

**3. Capital Assets**

	2012			2011		
	Accumulated Cost Amortization	Net Book Value		Accumulated Cost Amortization	Net Book Value	
Furnishings and equipment	\$ 14,426	\$ 10,473	\$ 3,953	\$ 9,485	\$ 9,485	\$ -
Sign	2,173	2,173	-	2,173	2,173	-
Tent	1,074	1,074	-	1,074	858	216
Nets	14,123	14,123	-	14,123	11,769	2,354
	<u>\$ 31,796</u>	<u>\$ 27,843</u>	<u>\$ 3,953</u>	<u>\$ 26,855</u>	<u>\$ 24,285</u>	<u>\$ 2,570</u>

**4. Statement of Cash Flows**

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

**5. Capital Disclosures**

The organization considers its capital to be its net assets. The organization's objectives when managing its capital are to provide sufficient funds to cover annual operating expenses related to operating soccer programs for players of any ages. Annual budgets are developed and monitored to ensure the organization's capital is maintained at an appropriate level.

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**For the year ended January 31, 2012**  
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**6. Financial Instrument Risk Management**

The organization, through its financial assets and liabilities, is exposed to various risks in the normal course of operations. The organization's objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the organization's activities. The following analysis provides a measurement of those risks at year end.

Credit Risk

Credit risk is the risk that the organization will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the organization to significant concentrations of credit risk consist primarily of accounts receivable. The organization is not exposed to significant credit risk as the accounts receivable have typically been collected when due.

Liquidity Risk

Liquidity risk is the risk that the organization will not be able to meet its obligations as they fall due. The organization maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.

Interest Rate

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions and interest rates. The organization is not exposed to significant interest rate risk as cash is held in short-term products.

Fair Value

The carrying value of cash, accounts receivable and accounts payable approximate their fair value due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

**7. Comparative Figures**

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