

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

**Financial Statements  
For the years ended January 31, 2013 and 2012**

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

**Years Ended January 31, 2013 and 2012**

**C O N T E N T S**

	Page
<b>Review Engagement Report</b>	
<b>Financial Statements</b>	
Statement of Financial Position	1
Statement of Operations	2
Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 7



Tel: 204 956 7200  
Fax: 204 926 7201  
Toll-free: 800 268 3337  
www.bdo.ca

BDO Canada LLP/s.r.l.  
700 - 200 Graham Avenue  
Winnipeg MB R3C 4L5 Canada

## REVIEW ENGAGEMENT REPORT

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

We have reviewed the statements of financial position of **South End United Soccer Club Inc.** as at January 31, 2013, January 31, 2012 and February 1, 2011, and the statements of operations, changes in net assets and cash flows for the years ended January 31, 2013 and January 31, 2012. Our reviews were 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 reviews, 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


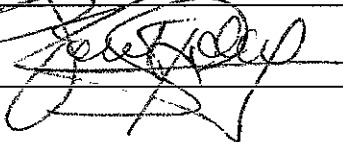
Winnipeg, Manitoba  
April 17, 2013

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

**Statement of Financial Position**  
**(Unaudited)**

	<u>January 31</u>	<u>January 31</u>	<u>February 1</u>
	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>			
Current Assets			
Cash	\$ 56,854	\$ 27,994	\$ 16,258
Accounts receivable	12,400	420	848
Prepaid expenses	-	3,045	2,678
	<u>69,254</u>	<u>31,459</u>	<u>19,784</u>
Capital assets (Note 3)	<u>6,069</u>	<u>3,953</u>	<u>2,570</u>
	<u>\$ 75,323</u>	<u>\$ 35,412</u>	<u>\$ 22,354</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 8,415	\$ 15,500	\$ 25,279
Deferred revenue	6,875	-	-
	<u>15,290</u>	<u>15,500</u>	<u>25,279</u>
<b>NET ASSETS</b>			
Invested in capital assets	6,069	3,953	2,570
Unrestricted	<u>53,964</u>	<u>15,959</u>	<u>(5,495)</u>
	<u>60,033</u>	<u>19,912</u>	<u>(2,925)</u>
	<u>\$ 75,323</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 years ended January 31**  
(Unaudited)

	<b>2013</b>	<b>2012</b>
Revenue		
Registration fees		
Camps	\$ 11,777	\$ 25,651
Fundraising	11,236	-
Indoor season, competitive	135,331	106,611
Indoor season, recreational	145,160	138,000
Outdoor season, competitive	176,061	176,405
Outdoor season, recreational	175,498	164,952
Referees	350	(60)
Summer Academy/All-Stars/DTC	25,858	24,858
Tryouts	12,915	7,735
Winter Academy/All-Stars/DTC	29,042	37,665
	723,228	681,817
Refunds	(132)	(1,351)
	723,096	680,466
Other	16,235	10,633
Province of Manitoba Grant - Green Team	10,315	9,700
	749,646	700,799
Expenses		
Administration		
Amortization	1,731	3,557
Bank charges	10,399	9,255
Honorariums	6,365	16,473
Insurance	528	518
Office and sundry	7,364	7,123
Professional fees	7,778	9,740
Rent	16,170	15,540
Salaries	82,411	62,672
Telephone	756	755
Travel	3,850	3,117
Website	3,041	6,181
	140,393	134,931
Banquets	14,214	12,153
Coaching fees	55,569	55,788
Fields and facilities	79,748	81,477
Program fees	323,106	309,266
Promotions	4,664	9,278
Referees	30,406	29,115
Soccer uniforms and equipment	56,241	38,810
Training and certificates	5,184	7,144
	709,525	677,962
Revenue over expenses	<b>\$ 40,121</b>	<b>\$ 22,837</b>

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 Changes in Net Assets**

**For the years ended January 31**  
(Unaudited)

	<u>Invested in Capital Assets</u>	<u>Unrestricted</u>	<u>2013</u>
Balance, beginning of year	3,953	15,959	19,912
Revenue over (under) expenses	(1,731)	41,852	40,121
Purchase of capital assets	<u>3,847</u>	<u>(3,847)</u>	<u>-</u>
Balance, end of year	<u>\$ 6,069</u>	<u>\$ 53,964</u>	<u>\$ 60,033</u>

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

**Statement of Cash Flows**

**For the years ended January 31**  
(Unaudited)

	<b>2013</b>	<b>2012</b>
Cash provided by (used in):		
Cash Flows from Operating Activities		
Revenue over expenses	\$ 40,121	\$ 22,837
Adjustments for Amortization	1,731	3,557
	<b>41,852</b>	26,394
Changes in non-cash working capital balances		
Accounts receivable	(11,980)	428
Prepaid expenses	3,045	(367)
Accounts payable and accrued liabilities	(7,085)	(9,779)
Deferred revenue	6,875	-
	<b>25,832</b>	16,676
Cash Flows from Investing		
Purchase of capital assets	(3,847)	(4,940)
Increase in cash	<b>21,985</b>	11,736
Cash, beginning of year	<b>27,994</b>	16,258
Cash, end of year	<b>\$ 49,979</b>	\$ 27,994

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 years ended January 31, 2013 and 2012**  
(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.

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
---------------------------	---------

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.**  
**(Operating as Winnipeg South End United Soccer Club)**

**Notes to Financial Statements**

**For the years ended January 31, 2013 and 2012**  
(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. First-time Adoption**

Effective February 1, 2012, the corporation adopted the requirements of the new accounting framework, Canadian accounting standards for not-for-profit organizations (ASNPO) or Part III of the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook – Accounting. These are the corporation's first financial statements prepared in accordance with this framework and the transitional provisions of Section 1501, First-time Adoption have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and retrospective exceptions. The accounting policies set out in Note 1 - Nature of Operations and Summary of Significant Accounting Policies have been applied in preparing the financial statements for the year ended January 31, 2013, the comparative information presented in these financial statements for the year ended January 31, 2012 and in the preparation of an opening ASNPO statement of financial position at the date of transition of February 1, 2011.

The corporation issued financial statements for the year ended January 31, 2012 using Canadian generally accepted accounting principles prescribed by the CICA Handbook – Accounting Part V - Pre-changeover Accounting Standards. The adoption of ASNPO resulted in no adjustments to the previously reported assets, liabilities, fund balances, revenue over expenses and cash flows of the organization.

No exemptions were used at the date of transition to Canadian accounting standards for not-for-profit organizations.

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

**Notes to Financial Statements**

**For the years ended January 31, 2013 and 2012**  
(Unaudited)

**3. Capital Assets**

	<b>2013</b>			<b>2012</b>		
	Accumulated Cost	Amortization	Net Book Value	Accumulated Cost	Amortization	Net Book Value
Furnishings and equipment	<u>\$ 18,272</u>	<u>\$ 12,203</u>	<u>\$ 6,069</u>	<u>\$ 14,426</u>	<u>\$ 10,473</u>	<u>\$ 3,953</u>

**4. 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.