

GUELPH YOUTH BASKETBALL ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

INDEX

AUDITORS' REPORT

STATEMENT 1 - Financial Position

STATEMENT 2 - Changes in Net Assets

STATEMENT 3 - Operations

NOTES TO THE FINANCIAL STATEMENTS



Chartered Accountants
and Business Advisors

AUDITORS' REPORT

To the Members of: Guelph Youth Basketball Association

We have audited the statement of financial position of Guelph Youth Basketball Association as at June 30, 2007 and the statement of operations for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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.

Certain receipts, by their nature, are not susceptible to complete verification by audit procedures. Accordingly, our verification of revenue, other than registration fees, was limited to a comparison of recorded receipts with deposits.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to verify revenues as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at June 30, 2007 and the results of operations for the year ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'RLB LLP'.

Guelph, Ontario
October 22, 2007

Chartered Accountants
Licensed Public Accountants

**GUELPH YOUTH BASKETBALL ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2007**

ASSETS

	2007	2006
CURRENT		
Cash	\$ 87,119	\$ 16,427
Accounts receivable	1,305	0
Prepaid expenses	<u>193</u>	<u>1,213</u>
	<u>\$ 88,617</u>	<u>\$ 17,640</u>

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	\$ <u>3,833</u>	\$ <u>0</u>
DEFERRED INCOME (note 3)	<u>42,426</u>	<u>17,640</u>
	<u>46,259</u>	<u>17,640</u>

NET ASSETS

Representative fund	115	0
Recreational fund	29,243	0
Equipment replacement reserve	<u>13,000</u>	<u>0</u>
	<u>42,358</u>	<u>0</u>
	<u>\$ 88,617</u>	<u>\$ 17,640</u>

see accompanying notes

**GUELPH YOUTH BASKETBALL ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007**

	Representative Fund	Recreational Fund	Equipment Replacement Reserve	2007 Total
Balance, beginning of year	\$ 0	\$ 0	\$ 0	\$ 0
Excess of revenue over expenses	13,115	29,243	0	42,358
Inter-fund transfer	<u>(13,000)</u>	<u>0</u>	<u>13,000</u>	<u>0</u>
Balance, end of year	\$ <u>115</u>	\$ <u>29,243</u>	\$ <u>13,000</u>	\$ <u>42,358</u>

see accompanying notes

**GUELPH YOUTH BASKETBALL ASSOCIATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2007**

	REPRESENTATIVE	RECREATION	ADMINISTRATION	2007 TOTAL
REVENUE				
Grants	\$ 25,479	\$ 0	\$ 0	\$ 25,479
Registrations	112,691	51,665	4,733	169,089
Sponsorships and donations	<u>24,828</u>	<u>16,182</u>	<u>0</u>	<u>41,010</u>
	<u>162,998</u>	<u>67,847</u>	<u>4,733</u>	<u>235,578</u>
EXPENSES				
Advertising	750	4,223	2,788	7,761
Insurance	0	965	0	965
Memberships and dues	17,791	4,421	0	22,212
Office	2,100	3,922	2,042	8,064
Professional fees	0	0	3,750	3,750
Rent	15,825	5,740	0	21,565
Supplies	78,576	17,410	0	95,985
Tournaments	<u>32,917</u>	<u>0</u>	<u>0</u>	<u>32,917</u>
	<u>147,959</u>	<u>36,681</u>	<u>8,580</u>	<u>193,219</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	15,039	31,166	(3,847)	42,359
Transfer from administration	<u>(1,924)</u>	<u>(1,923)</u>	<u>3,847</u>	<u>0</u>
	<u>13,115</u>	<u>29,243</u>	<u>0</u>	<u>0</u>
BALANCE, beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
BALANCE, end of year	<u>\$ 13,115</u>	<u>\$ 29,243</u>	<u>\$ 0</u>	<u>\$ 42,359</u>

see accompanying notes

**GUELPH YOUTH BASKETBALL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

1. NATURE OF BUSINESS

The Guelph Youth Basketball Association is incorporated as a non-profit organization for the purpose of encouraging participation in basketball activity, and as such, is exempt from income tax under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) CONTRIBUTIONS

The organization follows the deferral method of accounting for contributions.

(b) FINANCIAL INSTRUMENTS

Credit risk management

The Association's risk arises from a failure of a sponsor or other party to meet its financial obligation. This risk is minimized by the Association's monitoring of its receivables.

Fair value

The Association's financial instruments consist of cash, account receivable, prepaid expenses, accounts payable and deferred income. The carrying amounts of these financial instruments approximate their fair market values due to their short term maturity or capacity for prompt liquidation.

(c) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts 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 year. Actual results could differ from those estimates.

3. DEFERRED INCOME

Deferred income related to amounts received in respect of the 2007 - 2008 fiscal year.

4. COMPARATIVE FIGURES

The prior year's figures were not audited and have been presented for presentation purposes only.

5. STATEMENT OF CASH FLOWS

No statement of cash flows has been provided as the information would not be meaningful to potential users of the financial statements.

6. OPERATIONS AND FUNDS

- a) The statement of operations divides the revenue and expenses between representative and recreational basketball, and the administration expenses are divided equally between the two.
- b) The Board has agreed to set aside funds from representative activities to a separate equipment replacement reserve and approved the transfer of \$13,000 for the year ended June 30, 2007.
- c) The Board has also agreed to establish a Capital Fund in order to finance the future cost of a facility. No transfer is to be made to this fund for the year ended June 30, 2007.