

**GREAT LAKE REGION VOLLEYBALL ASSOCIATION, INC.**

**FINANCIAL STATEMENTS**

**For the Years Ended June 30, 2012 & 2011**

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**LEONARD  
& COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL CONSULTANTS, LTD.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Great Lakes Region Volleyball Association, Inc.

We have audited the accompanying statements of financial position of Great Lakes Region Volleyball Association, Inc. (an Illinois nonprofit organization) as of June 30, 2012 and 2011, and the related statements of activities and functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Great Lakes Region Volleyball Association, Inc. as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Leonard & Company, CPAs*

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Leonard & Company, CPAs  
Elmwood Park, IL

November 2, 2012

**GREAT LAKE REGION VOLLEYBALL ASSOCIATION, INC.**

**STATEMENT OF FINANCIAL POSITION**

**For the Years Ended June 30,**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 552,181	\$ 521,872
Accounts Receivable	74	-
Deposits	3,106	-
	<u>555,361</u>	<u>521,872</u>
<b>TOTAL CURRENT ASSETS</b>		
<b>PROPERTY AND EQUIPMENT:</b>		
Computers	26,630	20,671
Office Equipment and Furniture	4,071	2,963
Accumulated Depreciation	(19,984)	(19,822)
	<u>10,717</u>	<u>3,812</u>
<b>NET PROPERTY AND EQUIPMENT</b>		
<b>TOTAL ASSETS</b>	<u><u>\$ 566,078</u></u>	<u><u>\$ 525,684</u></u>
<b>LIABILITIES &amp; NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	\$ 4,692	\$ -
Payroll Liabilities	4,238	890
	<u>8,930</u>	<u>890</u>
<b>TOTAL CURRENT LIABILITIES</b>		
<b>NET ASSETS:</b>		
Unrestricted	<u>557,148</u>	<u>524,794</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u><u>\$ 566,078</u></u>	<u><u>\$ 525,684</u></u>

The Notes to the Financial Statements are an intergral part of these statements.

**GREAT LAKE REGION VOLLEYBALL ASSOCIATION, INC.**

**STATEMENT OF ACTIVITIES & FUNCTIONAL EXPENSE**

**For the Years Ended June 30,**

	<u>2012</u>	<u>2011</u>
<b>SUPPORT AND REVENUES</b>		
Member Income	\$ 645,343	\$ 630,429
Background Security Check	19,793	22,210
Clinic Fees	7,430	9,619
Entry Fees	398,350	275,475
Sales	527	8,744
Misc Income	2,233	778
Donations	1,290	1,455
	<hr/>	<hr/>
TOTAL SUPPORT & REVENUES	1,074,966	948,710
	<hr/>	<hr/>
Less: Refunds	(1,070)	(1,251)
	<hr/>	<hr/>
NET SUPPORT & REVENUES	1,073,896	947,459
	<hr/>	<hr/>
<b>PROGRAM SERVICE EXPENSE:</b>		
Membership Expense	267,113	253,819
Impact & Cap Expense	1,547	4,049
Officials Division Expense	13,113	12,296
Adult Tournament Expense	14,272	18,816
Junior Tournament Expense	14,443	30,748
Publications	4,111	3,589
Stipends	42,925	40,825
Windy City Power League	360,201	232,552
National Assistance	19,500	20,300
Junior Extravaganza	6,167	10,265
	<hr/>	<hr/>
TOTAL PROGRAM SERVICE EXPENSE	743,392	627,259
	<hr/>	<hr/>
<b>SUPPORTING SERVICE EXPENSE:</b>		
Travel	13,662	13,372
Office Salaries	120,500	105,656
Payroll Taxes & Fees	9,754	8,349
Insurance	47,492	45,348
Medical Insurance	14,629	14,177
Office Expense	6,756	7,542

The Notes to the Financial Statements are an intergral part of these statements.

**GREAT LAKE REGION VOLLEYBALL ASSOCIATION, INC.**

**STATEMENT OF ACTIVITIES & FUNCTIONAL EXPENSE**

**For the Years Ended June 30,**

	<b>2012</b>	<b>2011</b>
Postage	\$ 2,000	\$ 4,483
Contributions	2,111	100
Telephone & Internet	8,649	8,581
Professional Fees	12,703	14,213
Executive Board Expense	4,476	4,199
Merchandise	-	39
Background Check Expense	20,580	20,598
Depreciation	161	6,944
Bank & Credit Card Fees	19,139	21,125
SEP Pension Plan Expense	10,845	9,509
	<hr/>	<hr/>
TOTAL SUPPORTING SERVICE EXPENSE	293,457	284,235
	<hr/>	<hr/>
TOTAL PROGRAM & SUPPORTING SERVICES EXPENSE	1,036,849	911,494
	<hr/>	<hr/>
EXCESS OF NET SUPPORT & REVENUE OVER TOTAL PROGRAM & SUPPORTING SERVICE EXPENSE	37,047	35,965
	<hr/>	<hr/>
<b>OTHER INCOME (EXPENSE)</b>		
Interest Income	1,288	1,592
Life Insurance	(1,916)	-
Other Expense	(4,065)	(485)
	<hr/>	<hr/>
TOTAL OTHER INCOME (EXPENSE)	(4,693)	1,107
	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS</b>	32,354	37,072
	<hr/>	<hr/>
BEGINNING NET ASSETS	524,794	487,722
	<hr/>	<hr/>
<b>ENDING NET ASSETS</b>	\$ 557,148	\$ 524,794
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The Notes to the Financial Statements are an integral part of these statements.

**GREAT LAKE REGION VOLLEYBALL ASSOCIATION, INC.**

**STATEMENT OF CASH FLOWS**

**For the Years Ended June 30, 2012 & 2011**

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in Net Assets	\$ 32,354	\$ 37,072
Adjustments to Reconcile Changes in Net Assets		
Depreciation	161	6,944
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(74)	1,313
Other Operating Assets	(3,106)	2,775
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	4,691	(3,017)
Other Operating Liabilities	3,350	(2,483)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>37,376</u>	<u>42,604</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property & Equipment Acquisitions	<u>(7,067)</u>	<u>(4,589)</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>(7,067)</u>	<u>(4,589)</u>
<b>NET INCREASE IN CASH</b>	<u>30,309</u>	<u>38,015</u>
<b>CASH AT BEGINNING OF PERIOD</b>	<u>521,872</u>	<u>483,857</u>
<b>CASH AT END OF PERIOD</b>	<u>\$ 552,181</u>	<u>\$ 521,872</u>

The Notes to the Financial Statements are an integral part of these statements.

**Great Lakes Region Volleyball Association, Inc.**  
**Notes to Financial Statements**  
**June 30, 2012 & 2011**

**Note 1 - Summary of Significant Accounting Policies**

**Financial Reporting Process:**

The USA Volleyball (USAV) organization is the National Governing Body of volleyball, which is a charter member of the Federation Internationale de Volleyball and a member of the United States Olympic Committee. Great Lakes Region Volleyball Association, Inc. is recognized as a regional volleyball association of USAV. Great Lakes Region Volleyball Association, Inc. accepts memberships from players to ensure quality play under the USAV rules and regulations, provides sanctioned tournaments with certified officials, provides clinics for coaches and officials and provides the necessary administrative services required to hold regional volleyball tournaments.

**Cash and Cash Equivalents:**

For purpose of the Statement of Cash Flows, the Corporation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Property and Equipment:**

Property and equipment are stated at cost. Significant renewals and betterments are capitalized while expenditures for maintenance and repairs are charged to operations. Depreciation is computed using the straight line method.

**Revenue Recognition:**

Revenue is recorded at the time a new member registers and enters the organization. Membership fees cover one volleyball season and all players participating in sanctioned competitions in the Great Lakes region must be registered with a team for the season. Refunds are only given within one month of registration providing the player has not participated in any events.

**Income Taxes:**

The Corporation is exempt from federal and state income taxes under the provisions of the Internal Revenue Code Section 501(c)(3).

**Use of Estimates:**

In preparing financial statements in conformity with accounting principles generally accepted in the United States, management may make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Basis of Presentation:**

The Corporation maintains its financial accounts in accordance with the principles and practices applicable to non-profit organizations. For financial reporting purposes, net assets and related activity for the Corporation's funds are classified as unrestricted based on the existence or absence of donor-imposed restrictions. There are no restrictions on assets as of June 30, 2011.



**Great Lakes Region Volleyball Association, Inc.**  
**Notes to Financial Statements**  
**June 30, 2012 & 2011**

**Note 2 - Cash**

The Corporation maintains its cash in various bank deposit accounts. Management's policy is to maintain balances below the FDIC insured limit of \$250,000. The Corporation also utilizes money market accounts to facilitate investing activities, which are not FDIC insured. The Corporation does not believe it is exposed to any significant credit risk on cash.

**Note 3 - Fundraising Activities**

The Corporation's primary revenues are derived from fees for services. Thus, it does not actively engage in major fundraising or solicit promises to give.

**Note 4 - Simplified Employee Pension Plan**

The Corporation has a qualified Simplified Employee Pension Plan and a qualified contributory 403(b) plan covering all employees completing one day of employment, except employees covered by a collective bargaining agreement, and earning less than \$300 of compensation. Contributions to the Simplified Employee Pension Plan are at the discretion of the Corporation Board of Directors. Employees may make before-tax contributions to the 403(b) plan of 6 percent of annual compensation to maximum allowed limit. Corporation Simplified Employee Pension Plan contributions were \$10,845 for year ended June 30, 2012 and \$9,509 for year ended June 30, 2011.

**Note 5 - Affiliations**

In order to maintain its recognition, the Corporation must pay fees to USAV based on its total membership. These fees are directly allocated to various expenses and influence the Corporation's own fee structure. The USAV fees constituted \$310,000 for the year ended June 30, 2012 and \$297,967 for the year ended June 30, 2011.

**Note 6 - Subsequent Events**

Management has evaluated events and transactions that occurred during the period from the date of the Statement of Financial Position through November 2, 2012, the date these financial statements were available for issue. No events were noted that would materially affect these financial statements.

Effective December 1, 2012 management rented office space and signed a five year lease.