

# **Financial Statements**

**of**

**Michigan State USBC Bowling Association  
For the Period Ended July 31, 2009**

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To the Board of Directors

Michigan State USBC Bowling Association  
P.O. Box 746  
MUSKEGON, MI 49443

We have compiled the accompanying statement of assets, liabilities, and fund balances (income tax basis ) of Michigan State USBC Bowling Association as of July 31, 2009 and the related statements of revenues, expenses and cash flows (income tax basis) for the period then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The accompanying financial statements have been prepared on the modified cash basis of accounting as described in Note 1. This basis differs from generally accepted accounting principles primarily because accounts receivable and accounts payable are not recognized and the effect of this on these financial statements is undetermined.

*Mary M Schaefer, CPA*

September 08, 2009

**Michigan State USBC Bowling Association**  
**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES**  
July 31, 2009

**ASSETS**

**CURRENT ASSETS**

Certificate of Deposit	\$ 100,950.52
Checking-Fifth Third	3,498.51
Petty Cash	500.00
Savings-Fifth Third	64,449.90
Tournament Fund	<u>3,808.60</u>

**Total Current Assets** \$ 173,207.53

**PROPERTY AND EQUIPMENT**

Office Equipment	\$ 27,814.61
Accum Depr - Office Equipment	-27,219.89
Vehicles	21,720.00
Accum Depr - Vehicle	<u>-10,960.00</u>

**Total Property and Equipment** \$ 11,354.72

**TOTAL ASSETS** \$ 184,562.25

**LIABILITIES AND FUND BALANCES**

**CURRENT LIABILITIES**

Payroll Liabilities	<u>980.51</u>
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**Total Current Liabilities** \$ 980.51

**Total Liabilities** \$ 980.51

**FUND BALANCES**

Fund Balances:Fund Balance - Temp Restricted	9,750.00
Fund Balances:Fund Balance - Unrestricted	159,811.05
Net Income (Loss)	<u>\$ 14,020.69</u>

**Total Fund Balances** \$ 183,581.74

**TOTAL LIABILITIES AND FUND BALANCES** \$ 184,562.25

**Michigan State USBC Bowling Association**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE YEAR ENDED JULY 31, 2009**

**REVENUE**

Open Tournament	
Teams	\$ 222,500.00
Doubles	224,000.00
Singles	224,000.00
All-Events	70,085.00
Optional Teams	13,041.00
Optional Doubles	12,880.00
Optional Singles	13,580.00
Optional All-Events	11,570.00
Mich.State USBC Masters	19,630.00
Mich. State USBC Senior Masters	<u>10,710.00</u>
Total Open Tournament	\$ 821,996.00
Other Revenue	
Dues	\$ 103,189.00
Merchandise	14,873.21
Bowling Ball Raffle	24,878.00
Photographs	4,416.06
Advertising/Sponsorships	5,000.00
Banquet Tickets	1,029.00
Contingency Fee (Local Assoc)	20,000.00
Hall of Fame (Local Assoc)	500.00
Interest	<u>2,978.71</u>
Total Other Revenue	\$ 176,863.98
<b>TOTAL REVENUES</b>	<b><u>\$ 998,859.98</u></b>

**EXPENSES**

Tournament Operations	
Automobile	5,467.10
Service Charges	11,892.99
Postage	6,746.32
Printing	2,916.96
Bowling Ball Raffle	20,073.93
Merchandise to Sell	13,375.00
Opening Day	4,051.70
Non-Cash Awards	6,096.22
Prize Money	350,689.58
Lineage Fees	238,267.60
Scorekeepers	<u>35,941.25</u>
Total Tournament Operations	695,518.65

**Michigan State USBC Bowling Association**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE YEAR ENDED JULY 31, 2009**

Payroll Expenses

Association Manager Salary	31,999.92
Office Manager Salary	18,000.00
Office Help Wages	35,778.71
Medicare-Company Paid	1,175.04
Social Security-Company Paid	5,034.03
Michigan Unemployment Insurance	705.04
Workers Compensation Insurance	442.00
Health Insurance	6,203.88
	6,203.88

Total Payroll Expense 99,338.62

Other Expenses

Association Manager	2,693.39
Employees	9,779.19
Masters Fee-Tournament All-Events Winner	450.00
Office Supplies	7,545.58
	7,545.58

Total Other Expenses 20,468.16

Master's Tournament Expenses

Master's Prizes	19,825.00
Senior Master's Prizes	12,621.29
Master's/Senior-Other	3,470.90
	3,470.90

Total Master's Tournament Expenses 35,917.19

Annual Meeting

Banquet Expenses	848.68
Board/Delegate Luncheon(Sunday)	2,250.00
Board Luncheon (Saturday)	546.00
Board Expenses	9,758.05
Champions Banquet	6,861.32
Delegate Expense	7,632.89
Hospitality Expenses	38.07
	38.07

Total Annual Meeting 27,935.01

September Jamboree

Board Expense	10,961.85
Bowling Expense	621.00
Awards	522.00
Luncheon (Sunday)	2,114.70

**Michigan State USBC Bowling Association**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE YEAR ENDED JULY 31, 2009**

Hospitality Expenses	500.00
Other Expenses	316.35
	15,035.90
<b>Total September Jamboree</b>	
<b>Dues Program</b>	
Grant Program	13,012.89
Squad Leader Incentives	4,040.12
Other Expenses	18,133.18
	35,186.19
<b>Total Dues Program</b>	
<b>Other Association Activity Expenses</b>	
Mich St USBC Youth Scholarship	4,000.00
Senior Championship Fees	1,875.00
Hall of Fame	698.84
	6,573.84
<b>Total Other Association Activity Expenses</b>	
<b>Administration</b>	
Board Attire	2,639.29
Board/Committee Meetings	2,390.45
Donations	138.79
Memberships	750.00
Mich State USBC Youth Scholarship Expense	367.38
President Expenses	7,872.69
Professional Fees	1,220.00
Communication Expenses	1,511.83
Equipment Purchases	692.23
Equipment Repair & Contracts	3,526.38
Insurance Liability	694.00
Rent	14,000.04
Storage	513.00
Depreciation	11,357.00
Other Administration Expenses	1,192.65
	48,865.73
<b>Total Administration Expenses</b>	
<b>TOTAL EXPENSES</b>	<b>\$ 984,839.29</b>
<b>EXCESS REVENUES OVER EXPENSES</b>	<b>\$ 14,020.69</b>
<b>FUND BALANCE AUGUST 1, 2008</b>	<b>\$ 169,561.05</b>
<b>FUND BALANCE JULY 31, 2009</b>	<b>\$ 183,581.74</b>

**Michigan State USBC Bowling Association**  
**STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED JULY 31, 2009

**CASH FLOWS FROM OPERATING ACTIVITIES**

Excess Revenues over Expenses	\$ 14,020.69
Adjustments to reconcile Net Income (Loss) to net Cash:	
Increase (Decrease) in:	
Payroll Liabilities	980.51
Unclaimed Prize Checks	-38,055.83
	-38,055.83

**Total Adjustments** \$ -37,075.32

**Net Cash Provided By (Used In) Operating Activities** \$ -23,054.63

**CASH FLOWS FROM INVESTING ACTIVITIES**

Vehicles:Accum Depr - Vehicle	-10,960.00
Vehicles	21,720.00
Accum Depr - Office Equipment	-397.00
	-397.00

**Net Cash Provided By (Used In) Investing Activities** \$ 10,363.00

**CASH FLOWS FROM FINANCING ACTIVITIES**

**Net Cash Provided By (Used In) Financing Activities** \$ 0.00

**NET INCREASE (DECREASE) IN CASH** \$ -33,417.63

**CASH AT BEGINNING OF PERIOD** \$ 206,625.16

**CASH AT END OF PERIOD** \$ 173,207.53

# Michigan State USBC Bowling Association, Inc.

## Notes to Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Activities**

The purpose of the Association is to promote and operate an annual state bowling tournament for Michigan Bowlers affiliated with the United States Bowling Congress.

#### **Basis of Accounting**

It is the policy of the Association to prepare its financial statements on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenses and purchases are recognized when cash is disbursed rather than when the obligation is incurred.

### NOTE 2 INCOME TAX STATUS

The Association is a nonprofit corporation exempt from income tax under Section 501 (c) (3) of the Internal Revenue Code under group exemption issued to the American Bowling Congress and its affiliates, therefore no provision for income taxes is given. Income tax liability may be incurred, however, should the organization have unrelated business income.

### NOTE 3 SCHOLARSHIPS

The Association awards, annually, scholarships for advanced education or training to selected high school graduates who are MI ST USBC Youth sanctioned members. The successful applicants have until their twenty second birthday to claim their award. A portion of the Fund Balance is restricted to reflect the scholarship money awarded and not claimed by still eligible applicants.

### NOTE 4 FIXED ASSETS

Fixed assets are stated at cost and are being depreciated using the straight-line method for office equipment. A vehicle was purchased in April 2009. A Special Depreciation allowance was used for the first year of depreciation.