

**DEERFIELD YOUTH BASEBALL ASSOCIATION, INC
d/b/a DYBA BASEBALL AND SOFTBALL
FINANCIAL STATEMENTS
SEPTEMBER 30, 2005**

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January 6, 2006

Board of Directors
Deerfield Youth Baseball Association, Inc
Deerfield, IL

Independent Auditor's Report

We have audited the accompanying statement of financial position of Deerfield Youth Baseball Association (a not-for-profit organization) as of September 30, 2005, and the related statements of activities, functional expenses, and cash flows 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 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 audit provides 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 Deerfield Youth Baseball Association at September 30, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Brown, Kaplan & Liss LLP

Certified Public Accountants

DEERFIELD YOUTH BASEBALL ASSOCIATION, INC
d/b/a DYBA BASEBALL AND SOFTBALL
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2005

ASSETS	<u>2005</u>
Current assets:	
Cash and cash equivalents	\$ 87,152
Merchandise Inventory	5,874
Prepaid expense	<u>11,512</u>
Total current assets	<u>\$ 104,538</u>
Equipment	12,509
Less: accumulated depreciation	<u>(6,459)</u>
	<u>\$ 6,050</u>
Total assets	<u><u>\$ 110,588</u></u>
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	\$ 44,163
Deferred Revenue	<u>2,000</u>
Total current liabilities	<u>\$ 46,163</u>
NET ASSETS	
Unrestricted	<u>\$ 64,425</u>
Total net assets	<u>\$ 64,425</u>
Total liabilities and net assets	<u><u>\$ 110,588</u></u>

See accompanying notes to financial statements.

DEERFIELD YOUTH BASEBALL ASSOCIATION, INC
d/b/a DYBA BASEBALL AND SOFTBALL
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2005

	<u>Unrestricted</u>	<u>Total</u>
SUPPORT AND REVENUE		
Public support:		
Contributions, including those in-kind of \$4,000	\$ 4,165	\$ 4,165
Fundraising events	2,475	2,475
Revenue and reclassifications:		
Registration - Spring/Summer	245,920	245,920
Travel Revenue - Baseball/Softball	78,520	78,520
Wooden Bat Tournament	22,460	22,460
Sponsors	41,850	41,850
Baseball/Softball Clinic Income	13,015	13,015
Other Income	5,619	5,619
Interest Income	<u>797</u>	<u>797</u>
Total support and revenue	<u>\$ 414,821</u>	<u>\$ 414,821</u>
EXPENSES		
Program services	\$ 342,590	\$ 342,590
Supporting services:		
Management and General	34,675	34,675
Fundraising	<u>9,135</u>	<u>9,135</u>
Total Expenses	<u>\$ 386,400</u>	<u>\$ 386,400</u>
Increase in net assets	\$ 28,421	\$ 28,421
Net assets beginning of year	<u>36,004</u>	<u>36,004</u>
Net assets end of year	<u><u>\$ 64,425</u></u>	<u><u>\$ 64,425</u></u>

See accompanying notes to financial statements.

DEERFIELD YOUTH BASEBALL ASSOCIATION, INC
d/b/a DYBA BASEBALL AND SOFTBALL
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2005

	2005
Cash flows from operating activities:	
Increase in net assets	\$ 28,421
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,322
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	2,370
Inventory	(5,874)
Prepaid expense	(1,951)
Increase (decrease) in:	
Accounts payable	14,420
Accrued vacation	(250)
Deferred Revenue	(10,000)
Net cash provided by operating activities	\$ 28,458
Net cash used for investing activities:	
Purchase of equipment	\$ (1,849)
Net cash provided by financing activities	\$ -
Total cash provided	\$ 26,609
Cash and equivalents, beginning of year	60,543
Cash and equivalents, end of year	\$ 87,152

See accompanying notes to financial statements.

DEERFIELD YOUTH BASEBALL ASSOCIATION, INC
d/b/a DYBA BASEBALL AND SOFTBALL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

Note 1 – Nature of Activities

Deerfield Youth Baseball Association (“DYBA” or the “Organization”) was founded in March 1958 as a not-for-profit organization devoted to engaging youth in the game of baseball and softball. The purpose of DYBA is to promote and maintain high moral character as well as good mental and physical health in the young people involved in the baseball and softball programs. This objective is attained by providing supervised athletic games with the attainment of exceptional athletic skill or winning of games as secondary objectives. The Organization’s primary sources of revenue are registration, tournament and sponsor fees.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under Statement of Financial Accounting Standards (SFAS) No. 117, “Financial Statements of Not-for-profit Organizations” the Organization is required to report information regarding its financial position and activities according to its two classes of net assets: unrestricted net assets and temporarily restricted net assets. Unrestricted net assets are available for any general purpose of the Organization. All expenditures are recorded as a reduction of unrestricted net assets.

Temporarily restricted net assets arise from the unconditional promises of donors to provide funding for operations of future periods (time restriction), or, for funding of specific programs (purpose restriction). As expenses are incurred in specific program activities or with the passage of time, an equal amount of temporarily restricted net assets is released from restriction.

The Organization currently has no temporarily restricted net assets.

Contributions

The Organization has adopted SFAS No. 116, “Accounting for Contributions Received and Contributions Made,” which requires unconditional promises to be recorded at fair value in the period the promise is made. Conditional promises are not recorded until the conditions on which they depend are substantially met.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

DEERFIELD YOUTH BASEBALL ASSOCIATION, INC
d/b/a DYBA BASEBALL AND SOFTBALL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

Cash and Cash Equivalents

DYBA considers cash in checking accounts and money market accounts to be cash and cash equivalents.

Income taxes

DYBA has received notification from the Internal Revenue Service (IRS) that it is exempt from federal income tax on income related to its exempt function pursuant to Section 501(c) (3) of the Internal Revenue Code. In addition it has been determined by the IRS to be an exempt organization other than a private foundation.

Furniture and equipment

Equipment consists principally of batting cage equipment. Equipment purchased or donated is recorded at fair value and is depreciated over useful lives of 5-7 years on a straight-line basis.

Note 3 – Functional expenses

Spring and Summer Baseball and Softball, Travel Baseball and Softball, and Wooden Bat Tournament comprise the Organization's principal programs. Expenses related directly to these programs are charged thereto. Expenses with management and general and fundraising components are allocated based on periodic time and expense as well as direct allocation of expenses incurred.

Note 4 – Deferred revenue

The Organization recognizes program revenue at the time the program takes place. At September 30, 2005, \$2,000 of revenue had been received for programs not yet started.